


AGRICULTURAL OUTLOOK

May 1983

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Higher Feed Costs Affecting Livestock Prospects

AGRICULTURAL OUTLOOK

May 1983/AO-87



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Economics Editor

Sara Short (202) 447-4190

Managing Editor

Leiland Scott (202) 382-9755

Editorial Staff

Sherrie Meyer
Shirley Hammond

Statistical Coordinator

Ann Duncan (202) 447-2319

Production Staff

Deborah Perrell; Carrie Thompkins;
Joan Bazemore

For more information, contact:

Commodity Highlights—Don Seaborg
(202) 447-8376

Farm Income—Gary Lucier and
Allen Smith (202) 447-4190

Food Prices—Ralph Parlett
and Paul Westcott (202) 447-8804

General Economy—Paul Prentice
(202) 447-2317

Marketing Costs—Dave Harvey
(202) 447-6860, or Denis Dunham
(202) 447-8804

Transportation—T.Q. Hutchinson
(202) 447-8666

World Agriculture and Trade —
John Dunmore (202) 382-9818 or
Sally Byrne (202) 447-8857

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In

Brief. . . News of the Livestock Outlook, the World Economy, and Farm Credit.

Agricultural Economy

Although prospective crop supplies are still abundant, the tightening of stocks freely available to the market in 1982/83 and the likelihood of tighter supplies next season have raised market prices for PIK crops substantially. Since the fall lows, corn prices have jumped 60 percent, wheat prices 20 percent, cotton prices 15 percent, and rice prices more than 10 percent. Even so, only corn prices are substantially higher now than last spring. These gains should be sustained if farmers follow through on their acreage-reduction indications. In addition, if weather turns poor during the growing or harvest periods, or if demand increases from current expectations, crop prices would be even stronger.

With the higher crop prices, livestock prospects have in turn been altered. Higher feed prices may force livestock producers—especially of hogs—to rethink their production plans; the result may be smaller meat supplies in 1984 than previously expected, particularly in the second half of the year.

Farm Income Update

The outlook for 1983 farm income, although improved since the advent of the PIK program, remains uncertain. Unknowns at this time include the timing of PIK marketings, the extent of input use cutbacks because of PIK and the acreage-reduction programs, and the strength of the developing economic recovery.

Net cash income—which measures the cash available for capital asset purchases, loan retirement, and farm household operation—is forecast to range from \$32 to \$36 billion in 1983, exceeding the \$32.2 billion estimated for 1982. Total net farm income after inventory adjustment is expected to range from \$18 to \$22 billion this year, compared with an estimated \$20.4 billion for 1982. Net farm income before inventory adjustment is forecast at \$20 to \$24 billion, compared with the \$20.2 billion estimated for 1982.



World Agriculture and Trade

Signs of a slow turnaround in the international economy are becoming more apparent, suggesting that a worldwide recovery will begin soon. World economic growth is forecast at about 2 percent for 1983. Unlike most years, the growth rate for the industrialized economies is apt to be slightly higher than that for the developing economies. Negative growth in Latin America could almost offset the projected gains in Africa and Asia. Expansion in the centrally planned economies will also be moderate this year because most of Eastern Europe continues to face balance-of-payments deficits.

General Economy

As the second quarter of 1983 began, the U.S. economy appeared to be in the early stages of a modest recovery. Total employment has stabilized, industrial production is increasing, and consumer demand is expected to strengthen gradually over the year. Overall, real GNP and disposable personal income are expected to rise 2 to 3 percent in 1983 (year-over-year basis) and about 4 percent in 1984.

Inputs

The announced farm programs for 1983 will improve the cash flow situation for many farmers. With lower production expenses, farmers will be able to retire high-interest debt, reduce short-term credit, and consequently reduce interest expenses. Credit demand will decline mostly for those lenders providing short-term credit. Debt outstanding is expected to decline mostly with the CCC, reflecting redemption of price-support loans due to the PIK program.

By reducing input use, the acreage-limitation programs will also lower input industry revenues. The already-troubled fertilizer industry will be most seriously affected. However, better farm economic conditions in late 1983 and 1984 due to PIK will help reduce the financial stress that has developed in key input industries.

Transportation

Transportation of fresh fruits and vegetables will be readily available this year, despite a much larger citrus crop and prospective gains in the summer and fall vegetable harvests. As usual, most produce items will move to market by truck. The share moved by trailers-on-flat-car will continue to grow, displacing some of the volume shipped by rail.

PIK Programs of the 1960's

Falling grain prices, weakening exports, and expanding stocks—together with continued gains in output—describe the situation facing the farm economy going into 1983. This scenario also closely describes the dilemma facing farmers and policymakers in the early 1960's. And the response to the problem then was much the same as that being tried today—paying farmers in kind to reduce the acreage of selected crops.



Agricultural Economy

This year's commodity programs—and especially the PIK program—are having wide-ranging impacts on the agricultural economy. Crop prices have risen substantially since the commodity markets adjusted to expectations of much smaller 1983 plantings, which should lower this year's harvests and pull down crop stocks for next season. With the higher crop prices, livestock prospects have in turn been altered. Higher feed prices may force livestock producers—especially of hogs—to rethink their production plans; the result may be smaller meat supplies in 1984 than previously expected, particularly in the second half of the year.

With smaller crop acreage in prospect this spring, the demand for most production inputs will decline moderately. As a result, bankers will likely make fewer and smaller production loans this year, and farmers' debt situation should improve. And although farm income in real (inflation-adjusted) terms will still be low by historical standards, prospects are now better than before—especially for 1984 incomes.

Crop Prices Higher

The rise in crop prices since last fall does not reflect prospects for stronger demand. If anything, demand for most U.S. crops may be a little weaker than anticipated last fall. Rather, crop prices have been boosted by expectations that farmers will be making the sharpest cut ever in spring plantings—so that supplies will shrink substantially during 1983/84.

Prospective crop supplies are still abundant. For example, by fall, corn stocks will equal nearly 6 months of use—up from 2 months at the end of 1980/81. However, most of the carry-over this fall will be in the farmer-owned reserve and CCC inventory and will be available to the market only at higher prices. By late 1984, corn stocks could drop to about 3 months' use. With the tightening of stocks freely available to the market in 1982/83 and the likelihood of tighter supplies in 1983/84, corn market prices have jumped 60 percent since late October—from \$1.95 a bushel to above \$3.10 by the start of May.

Price gains for the other PIK crops have been smaller, as the free stock situation is not so tight and prospective stock drawdowns will be smaller than for corn during 1983/84. Since the fall lows, wheat prices have climbed about 20 percent, cotton prices nearly 15 percent, and rice prices more than 10 percent.

Even with these recent price gains, only corn prices are substantially higher now than last spring. Nevertheless, the gains since fall 1982 should be sustained if farmers follow through on their acreage reduction indications. And if weather turns poor during the growing or harvest periods, or if demand increases from current expectations, crop prices would be stronger.

Livestock Outlook Also Changing

In addition to the rise in feed costs, recent heavy rains have caused major problems for many cattle feeders. Weight gains are down, but marketings have been kept current. On the other hand, good gains by feeder cattle on wheat over the winter and use of PIK-diverted winter wheat acreage as pasture early this spring have tended to delay the movement of feeders to feedlots or to other pastures. This increases the likelihood of bunched marketings later this summer and fall.

Thus, prices for feeder cattle could decline during the spring and the second half of the year, especially for the heavier-weight feeders. At the moment, cattle feeders are unable to lock in a profit in the futures market because prices are too low in the later contract months.

Meanwhile, more hogs are coming to market, and prices have slipped. Hog slaughter will be up 4 to 5 percent for the remainder of the year, reflecting producers' response to the improved profits of 1982. However, last year's profits will not be sustained this year, as higher feed costs and larger supplies of pork, beef, and broilers are pressuring hog prices below last year's levels. Although hog prices could rise seasonally this summer, they will head lower again in the fall. Any squeeze on returns will lead to reduced output in 1984.

Broiler production will likely be up all year, with the gain perhaps averaging 3 percent. The year-over-year production increases could be smaller in the second half as higher feed costs offset any impact from higher incomes.

Farm Income Prospects Brighter Since PIK

Instead of falling—as expected prior to PIK—net farm income in 1983 is anticipated to remain level or perhaps even rise. Compared with the \$20.4 billion estimated for 1982, net farm income is forecast at \$18 to \$22 billion this year. Because of the cutbacks in crop acreage, production expenses are expected to decline for the first time since 1953. [Don Seaborg (202) 447-8378]

LIVESTOCK HIGHLIGHTS

Cattle

Net feeder cattle placements dropped 12 percent from a year earlier during the winter quarter, reflecting extremely poor feedlot conditions and sharply higher feeder cattle prices. Feedlots have been unusually muddy since early February, particularly in the High Plains. Conditions in the North Central States began to deteriorate during March.

With these unusual feedlot conditions, rates of gain have been poor. Nevertheless, cattle feeders have kept their marketings current, selling cattle below normal weights. As a result, the number of cattle on feed in the 13 major cattle feeding States was only 4 percent above a year earlier on April 1. With feedlot placements down 12 percent in March and marketings up 5 percent, the number of cattle on feed on April 1 was 11 percent below the January 1 level.

Prime Indicators of the Agricultural Economy

Prices paid by farmers¹

1977 = 100



Prices received by farmers²

1977 = 100

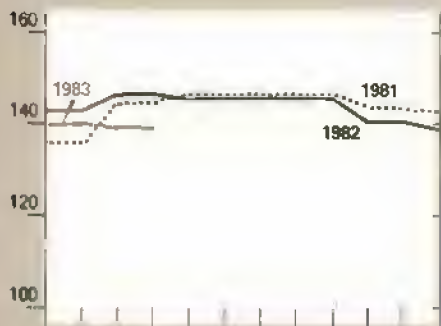


Ratio of prices received to prices paid

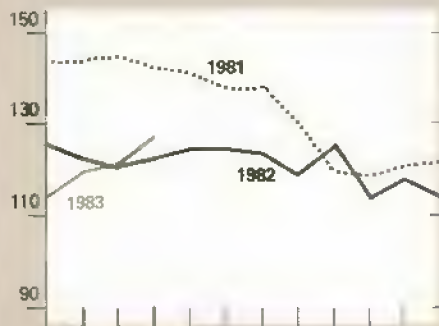
Percent



Fertilizer prices

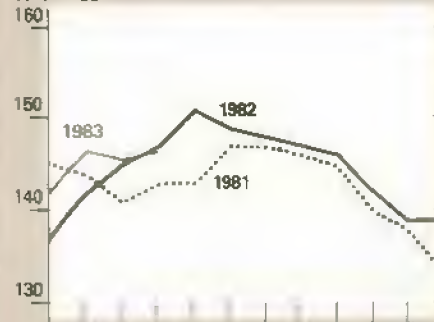


All crops

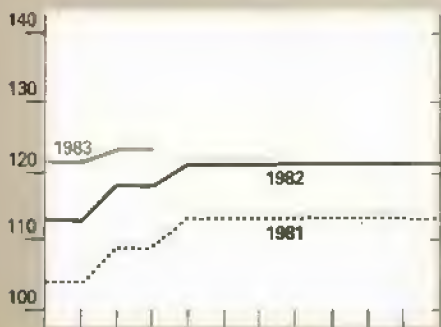


Livestock and products

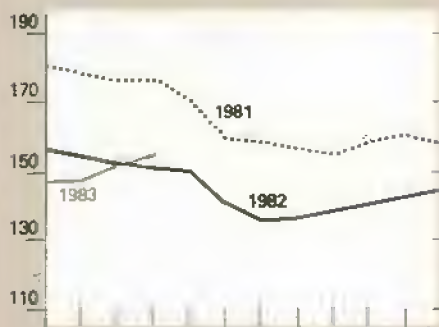
1977 = 100



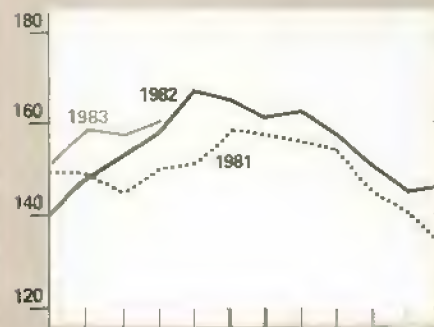
Agricultural chemicals



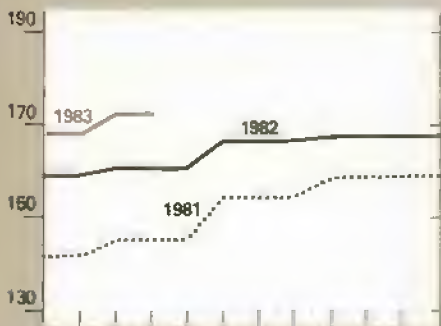
Food grains



Meat animals



Tractors and self-propelled machinery



Feed grains and hay



Dairy products



¹For commodities and services, interest, taxes, and wages

All series except "Ratio of Prices Received to Prices Paid" are indexes based on 1977 = 100.

²For all farm products

Because of the large feedlot placements last fall and reduced winter marketings, cattle feeders expect to market about 9 percent more cattle this spring than a year ago. Since a smaller number of cattle were placed on feed this winter, a larger proportion of the April 1 inventory was made up of heavier weight cattle. Even with more heavy cattle, the continued poor feedlot conditions are likely to reduce the possibility of bunched marketings during spring. However, large feedlot placements later this spring, as wheat-pasture grazing is exhausted, increase the likelihood of bunching problems later this summer and fall.

Choice fed steer prices at Omaha averaged in the upper \$60's per cwt in early April. Spring prices peaked near \$70 per cwt for selected lots of cattle in April. Once fed cattle marketings begin to increase and market weights rise, prices are likely to retreat and average \$65 to \$68 this spring. Prices should average in the mid-\$60's in the second half of the year, possibly falling to the low \$60's at times if marketings get bunched.

Utility cow prices continue to average \$42 to \$44 per cwt, as nonfed slaughter remains below a year earlier. Prices may weaken slightly in the second half of the year, but are likely to remain near to slightly above \$40. With marketings of yearling feeder steers down, prices remained strong through early April, averaging near \$70. However, in late April prices retreated to the mid-\$60's as marketings of cattle from wheat pasture increased. Lower fed cattle prices, higher feed costs, and continued larger feeder cattle movements through fall will restrict gains in feeder cattle prices. [Ron Gustafson (202) 447-8636]

Hogs

Developments since release of the March *Hog and Pigs* report suggest that producers may reevaluate expansion plans and may curtail farrowing increases. In April, barrow and gilt prices were about \$9 lower than last October, reflecting the markets' anticipation of higher pork production throughout 1983. In addition, the economic recovery is expected to be modest, suggesting only slightly stronger consumer demand. Higher corn prices also may dampen producers' enthusiasm for expanding. The

Central Illinois corn price in April averaged \$3.08 a bushel, up from \$1.96 last October. For the average farrow-to-finish producer, this higher price adds nearly \$7.00 per cwt to the cost of production.

The sharpest increases in breeding inventories have come in the Southeast and in States on the fringe of the main hog and grain producing areas. Feeder pig enterprises are relatively more important in these areas than in the Corn Belt, where most are farrow-to-finish operations. Since release of the March *Hogs and Pigs* report and the sign-up data on the PIK program, feeder pig prices have dropped sharply. These reports prompted expectations of lower hog prices and higher corn prices throughout the remainder of the year.

Pork production in second-quarter 1983 is expected to be about 3,575 million pounds, up 1 percent from last year. Hogs to be slaughtered in April-June are drawn largely from the March 1 market inventory weighing 60 to 179 pounds, which was the same as a year earlier. Prices may average \$49 to \$52 per cwt, depending on the extent of the economic recovery. In April, prices averaged about \$47.50 per cwt, but they are forecast to rise into the low to middle \$50's by the end of the quarter.

Commercial production in the third quarter is forecast at 3,525 million pounds, up 9 percent from last year and only 1 percent below the second quarter; normally, production declines sharply from the second quarter to the third. The third-quarter slaughter is drawn largely from the December-February pig crop, which was up 10 percent. Mild temperatures this winter contributed to the record 7.44 pigs per litter. Third-quarter prices are expected to average \$52 to \$56 per cwt. [Leland Southard (202) 447-8636]

Eggs

Egg production during March 1983 totaled 493 million dozen, likely near last year's level.¹ The number of layers slaughtered under Federal inspection was down 6 percent from last year in February. However, preliminary weekly slaughter estimates suggest that slaughter during March will be a little above a year earlier. Thus, egg production was likely near last year's level during March.

During December 1982-February 1983, egg production was 1,440 million dozen, down 1 percent from the year-earlier period. Low egg prices have discouraged producers from ordering replacement pullets, so the number of pullets entering the laying flock will continue to trail last year's pace. Even if producers continue to keep their old hens longer, egg production during March-May is expected to be about 1 percent below last year.

During the winter quarter, prices for cartoned Grade A large eggs in New York averaged 66 cents a dozen, down from 78 cents last year. With a seasonal increase in demand for Easter, egg prices during March increased to 69 cents—after which they declined seasonally in April. During April-June, egg prices will likely average 66 to 70 cents a dozen, up from 67 cents a year earlier.

Foreign demand for U.S. eggs has been weak, the result of a strong dollar and plentiful supplies from other exporting countries. The blended-credit program is being used to promote sales, most recently to Iraq. [Allen Baker (202) 447-8636]

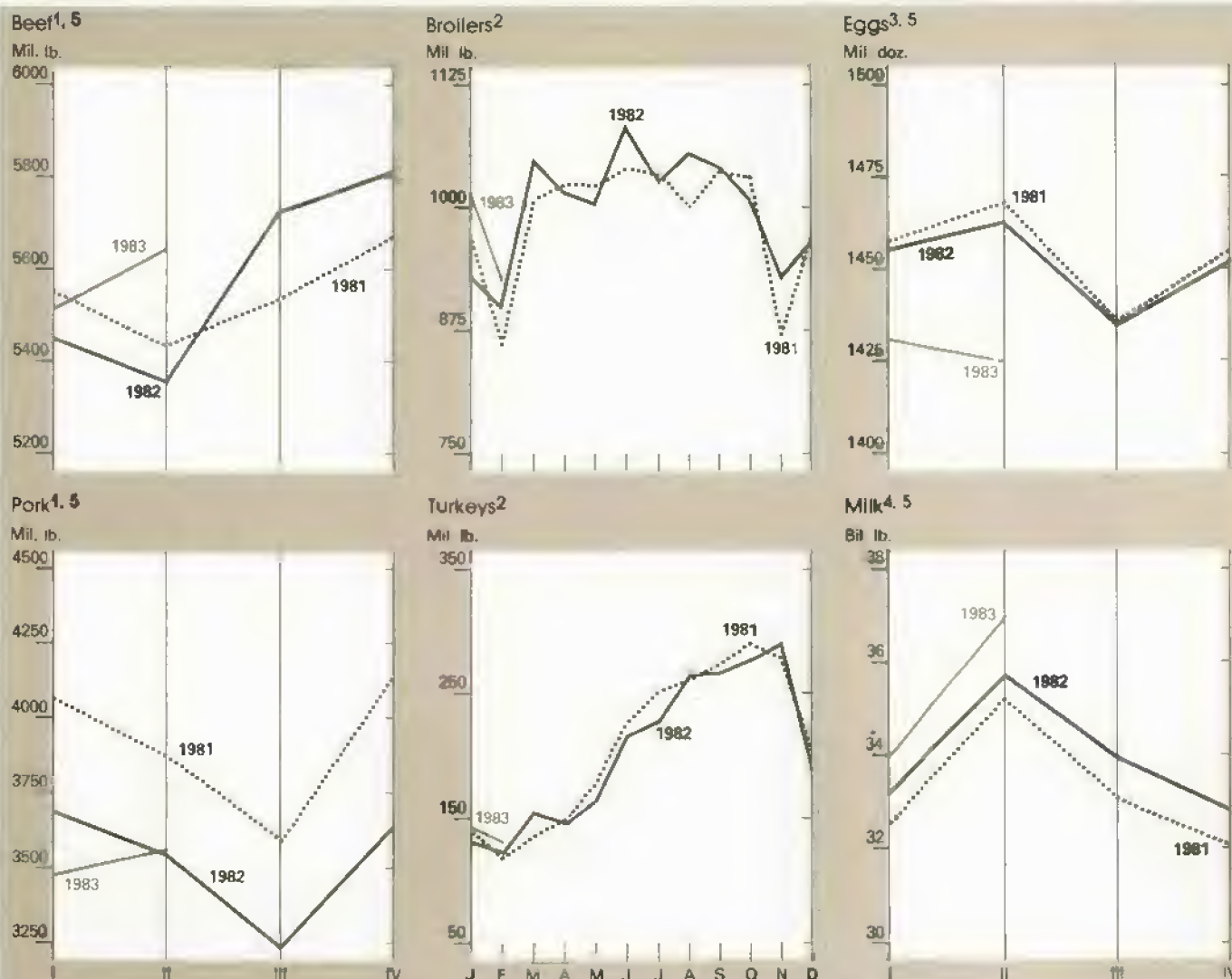
Broilers

The unsettled corn market resulting from the PIK program is causing broiler producers to begin slowing the increase in the number of chicks hatched in April. However, the earlier increase in the hatch will keep production up during the first half of 1983. During March, 399 million chicks were hatched, up 2 percent from last year. Based on slaughter during January and February plus preliminary weekly estimates for March, production is estimated up 5 percent from the 2,888 million pounds produced in January-March 1982. Producers are expected to continue expanding production, with second-quarter output forecast up 2 to 4 percent from last year.

Wholesale prices for broilers in the 9 cities surveyed averaged 43 cents a pound during January-March, down from 45 cents last year. Broiler prices are expected to remain weak because

¹For 1982, egg production figures were reported on a quarterly marketing year basis only. For 1983, the Statistical Reporting Service has reinstated monthly reports, but has no plans to publish monthly figures for 1982.

Supplies Update: Livestock and Products



¹Commercial production. ²Federally inspected slaughter, certified. ³Farm production; marketing year beginning Dec. 1. ⁴Total production. ⁵Forecast for latest quarter.

of increased supplies. Consumers' incomes may rise slightly as the economy improves, but these gains may strengthen prices for durable goods more than broilers. As a result, prices may average 41 to 44 cents a pound during the second quarter, compared with 45 cents last year. [Allen Baker (202) 447-8636]

Turkeys

Despite low current prices, turkey producers continue to increase the number of poult hatched. During February, 15.4 million poult were hatched—up 7 percent from last year. As of March, poult hatched are no longer being reported. However, the

number of poult placed, excluding exports, was 5 percent higher than the total number of poult hatched in March of 1982. During September 1982-January 1983, the cumulative hatch was 6 percent larger than during the year-ago period. During January-March, production was 10 percent larger than last year's 410 million pounds. Based on poult hatched that could be slaughtered in the second quarter, production is forecast up 7 to 9 percent from the 528 million pounds produced during April-June 1982.

Cold storage stocks of frozen turkey on April 1 were 22 percent below last year's 233 million pounds. Stocks have continued to decline so far in 1983, but

they will likely begin to expand during the second quarter as producers build supplies for fourth-quarter consumption. Prices may begin to strengthen if the hatch slows and stocks begin to increase.

Wholesale prices for 8- to 16-pound hen turkeys in New York averaged 55 cents a pound during January-March, the same as last year. Prices may average 53 to 56 cents in the second quarter—off slightly from the 59 cents of 1982—if cold-storage stock rebuilding is delayed until late in the quarter and slaughter increases as expected. [Allen Baker (202) 447-8636]

Dairy

On April 16, USDA began a deduction of 50 cents per cwt on all milk sold by producers. As a result, gains in milk production are expected to slow later this year.

Production this winter continued to surpass last year's level. Meanwhile, commercial disappearance has not improved, so USDA removals of dairy products are up from a year earlier. With supplies more than ample, 1983 farm prices of milk will likely remain near a year earlier. Wholesale prices may be unchanged to 2 percent higher, while retail prices could rise 1 to 3 percent.

Milk production for the first 3 months of 1983 was up 2.2 percent from 1982. In March, output per cow rose 2.2 percent from a year earlier, following a gain of 2 percent in February. Also, the number of dairy cows during March was 0.5 percent larger than a year earlier, further boosting milk output. The average number of cows during March increased 21,000 from the average for February—indicating that the expansion that began in 1979 is not over.

Given the gain in cow numbers during March, the yearly average will likely be about equal with 1982's. Output per cow will likely increase a bit more than 2 percent in 1983. As a result, production gains can be expected throughout the year, with total output up 2 to 3 percent from 1982's record 135.8 billion pounds.

Commercial disappearance for 1983 is now forecast to increase only 1.5 percent, down from earlier expectations because of the large USDA donations and the possible displacement of some commercial sales. Thus, USDA removals for calendar 1983 are expected to be 14 to 17 billion pounds (milk equivalent), compared with 14.3 billion in 1982.

During January-March, producer prices for all milk averaged \$13.77 per cwt, the same as a year earlier. With continued surplus supplies of milk and no increase in the support price, the 1983 average all-milk price will likely be little changed from 1982. USDA's reported all-milk price will not reflect the 50-cent-per-cwt deduction. However, the deduction will lower the effective price received by farmers by nearly 4 percent for those months it's in place. [Cliff Carman (202) 447-8636]

CROP HIGHLIGHTS

Wheat

Because of a mild winter and generally favorable spring, the U.S. winter wheat crop is mostly in good to excellent condition. However, cool, wet conditions may hinder completion of spring wheat seeding. While the final size of the 1983 crop is uncertain, yields could be pushing record levels in many areas because of good weather and the large portion of low-yielding land that will be idled under the 1983 wheat program.

Winter wheat production is expected to be smaller than 1982's record 2.11 billion bushels because of the acreage-reduction and PIK programs. This would be the first downturn in winter wheat production in 4 years. Conditions are generally favorable in spring wheat areas, but high compliance in the 1983 acreage-reduction and PIK programs could sharply decrease production from last year's record harvest. Total 1983 wheat production could be down 20 percent from the record crops of the past 2 years. Still, with large beginning stocks and no change in total use, next season's carryover stocks will likely drop only modestly.

Early prospects indicate that foreign wheat production may reach a record high in 1983. Mild winter weather benefited fall-sown wheat over most of the Northern Hemisphere except the USSR. Area planted to winter wheat rose in many countries.

Growing conditions have been nearly ideal for the European Community's winter grains. Wheat seedings rose last fall, and moisture supplies have been unusually good through the winter and spring.

In Eastern Europe, winter wheat output may not match 1982's exceptional harvest. Fall sowing increased slightly in all countries except Poland, but emergence and tillering began slowly because of dry soil conditions. Warm weather through January aided root development, but lack of frost made plants susceptible to disease. Many areas are being resown this spring.

Spain's grain crops were seeded under good conditions last fall. Dryness experienced over the winter, particularly in the south, may have reduced the yield potential.

In Northwestern Africa, planting intentions were up over last year. However, early season dryness over most of Morocco and western Algeria delayed planting and may have prevented some of the areas from being sown.

Excellent prospects are seen for China's winter wheat. Area expanded 4 percent because of government policy to encourage grain production. Plentiful rains during the late summer and early fall encouraged plantings and increased irrigation water supplies.

India's wheat production is estimated up again this year. Government price supports make wheat a profitable crop, and area is expanding. Larger area under irrigation and greater use of fertilizer will aid yields.

In the USSR, winter wheat area is down sharply, and the crop developed poorly last fall before entering dormancy because of below-normal precipitation. Winterkill is not expected to be above average, despite earlier concerns about warm temperatures and lack of snow cover. [Allen Schienbein (202) 447-8444 and Bradley Karmen (202) 447-8879]

Rice

U.S. carryover stocks of 65.2 million cwt and the dramatically smaller crop expected for 1983 will bring 1983/84 rice supplies to 176 million cwt, down sharply from recent years. No export recovery is yet in sight for next year; this will prevent any large increase in rice disappearance. Nevertheless, total use will be large enough to reduce ending stocks to 34 million cwt—almost half of the current estimated carryin. Farm prices are expected to strengthen significantly as a result of the lower carryover and are forecast at \$8.50 to \$10 per cwt, compared with \$8.00 estimated for this season.

World production of milled rice is forecast at 276 million metric tons in 1982/83, only 2 million below last year's record. China's output is a record, while the Indian crop is down by 16 percent. Total foreign output is down 1 million tons.

World use is now forecast at 278 million metric tons, about 1 percent higher than output. Thus, global ending stocks will likely fall again this year. Nevertheless, world and U.S. exports remain depressed. Through the end of March, shipments of U.S. rice

were 24 percent below a year earlier. The current forecast for U.S. rice exports remains at 2.2 million tons for 1982/83, down from 2.7 million last year.

For the first time in 21 years, U.S. domestic use of rice is likely to exceed exports. World exports are expected to fall this marketing year, but they may rise somewhat in calendar 1983, though still remaining below volumes achieved during 1980-82. [Barbara Stucker (202) 447-8444 and Eileen Manfredi (202) 447-8912]

Feed Grains

Continued tightening of free stocks of corn pushed spot and nearby futures prices higher during the first half of April. By the beginning of May, corn prices in Central Illinois exceeded \$3.10 a bushel, compared with an average \$3.00 for the last week in March. The early May price for July futures was around \$3.20 a bushel. The season average farm price is now estimated at \$2.65 a bushel, a nickel above last month's estimate.

April 1 stocks of corn, at 6.4 billion bushels, were lower than expected. As a result, feed use in 1982/83 is now forecast at 4.4 billion bushels, 100 million above last month. Total disappearance during the first half of this marketing year was 4.3 billion bushels, leaving estimated disappearance for April-October at 3 billion bushels—about the same as the amount of free stocks on April 1. So, in order to meet disappearance and carryover needs for free stocks, this season's farm prices are expected to reach the \$3.15-a-bushel trigger price for reserve corn. This development would cause enough corn to be released from the farmer-owned reserve to meet market needs.

A 30-percent drop in feed grain production is still anticipated for 1983 because of the high participation in the feed grain program. The 1983/84 feed use forecast has been raised, reflecting strong feed use during the first half of this season. The higher feed use combined with lower beginning stocks mean next season's carryover of feed grains is likely to total around 65 million metric tons, nearly 12 percent below last month's forecast and 40 percent below the carryin.

Foreign coarse grain use is estimated up less than 2 percent in 1982/83, and almost no improvement is foreseen for feed use. With weak demand, world trade may drop 15 million tons to around 88 million during July 1982-June 1983. The USSR accounts for most of the decline, with imports estimated at 12 million tons—down from 25.6 million last year.

Expanded grain production and stagnant livestock sectors are reducing developed countries' imports. Industrial use of corn may be down in the European Community (EC), as is feed use of imported grains. Spain's coarse grain imports are forecast down 1 million tons from 1981/82's record. No recovery in Japan's imports is anticipated, partly because of the rice feeding program.

Mexican coarse grain imports are up sharply this year because of last summer's severe drought and U.S. government credit guarantees for corn and sorghum shipments. East and Southeast Asian imports may rise about 15 percent.

Production by the United States' major competitors in 1982/83, excluding Canada, is estimated down 24 percent to 9 million tons. The South African corn crop was hit hard by drought, and that country will be an importer in 1983/84. Argentina's coarse grain output may drop a tenth. Thus, the U.S. share of world trade may improve slightly in 1983/84. [Larry Van Meir (202) 447-8776 and Sally Byrne (202) 447-8857]

Oilseeds

U.S. cash and futures prices for soybeans have risen sharply in recent weeks. In early May, cash prices in Central Illinois were around \$6.30 a bushel, 60 cents above mid-March. Futures prices for November 1983 delivery were up over \$1 a bushel from prices earlier this season. The higher soybean prices reflect expected smaller soybean and grain crops in 1983 and improved soybean product prices, particularly for oil.

Although soybeans are not covered by the PIK program, PIK will affect soybean supplies, use, and prices in 1983/84. In a normal year, farmers plant a considerable acreage of soybeans as a second crop the following winter wheat harvest. But several million acres of land planted to soybeans last year will be designated as

conserving-use acres in 1983 under the corn, cotton, and wheat programs. On the other hand, proportionally more soybean acreage will be in higher yielding regions. Taking these factors into account, 1983 soybean production could be 8 percent below 1982.

Higher U.S. grain prices and Western Europe's continued strong demand for soybeans and meal should boost total use in 1983/84. Consequently, stocks are forecast to drop to 280 million bushels, 25 percent below the estimated 1982/83 carryover. Farm prices should increase sharply, averaging \$5.50 to \$7.50 a bushel, compared with this season's estimate of \$5.60.

A highlight of the 1982/83 season has been the strong domestic and export demand for soybean meal. Rising meal prices may lower domestic feeding rates in the last half of this season, but domestic use is still expected to rise 6 percent for the season. Meal exports, at nearly 8.1 million tons, are expected to be 17 percent above 1981/82.

World oilseed production is forecast at 180 million metric tons for 1982/83, up 6 percent from a year earlier. Based on a higher acreage estimate and favorable weather, Brazil's soybean crop is forecast at 14.9 million metric tons, a 16-percent increase from a year earlier. World sunflowerseed production is now placed at 16.4 million tons because Eastern Europe's output was higher than anticipated. Also, with new official figures showing India's 1981 and 1982 rapeseed crops smaller than expected, the forecast of the 1983 crop has been lowered.

The suspension of Brazil's drawback provision (which allowed imports if the products were re-exported) has reduced expected Brazilian soybean imports for 1982/83. Also, since the export tax has been lowered from 20 to 5 percent, Brazil's soybean exports are likely to pick up. Brazil is expected to export 1.1 million tons in 1982/83, more than 50 percent above a year ago. This volume nearly offsets the decline in Argentine exports.

The Soviet Union recently purchased nearly 200,000 tons of U.S. soybeans, probably because South American supplies were temporarily unavailable. The USSR's total soybean imports are

expected to be 1.5 million tons this year, down 0.2 million from 1981/82 because of a shift toward increased meal purchases. Total Soviet imports of soybean meal could reach 2.6 million tons, up 0.9 million from last year. A decline in U.S. soybean exports to the EC for crushing may be offset by the increased shipments to the Soviet Union.

U.S. soybean oil exports have strengthened because of increased sales to Yugoslavia under U.S. credit guarantees. The total this year may reach 1 million tons, up 6 percent from a year earlier. [Roger Hoskin (202) 447-8776 and Jan Lipson (202) 447-8855]

Cotton

This season's forecast of total U.S. cotton use remains at 10.8 million bales, evenly divided between domestic mill use and exports. The seasonally adjusted annual rate of mill use during March was the year's highest, 5.7 million bales. The monthly rate of use must average about 5.5 million bales for the rest of the season for domestic use to reach the season's forecast of 5.4 million. If consumer spending on textiles does not pick up sharply, recent gains in mill production will only add to inventories.

In early April, nearly 6 million bales of cotton were under CCC loan or owned by the CCC. Carryover stocks on August 1, 1983, are expected to total 8 million bales. With no further loan redemptions, free stocks would end up at 2 million bales, compared with an average of 2.5 million during the 3 previous years. So, with smaller free stocks in prospect and the loan rate at 57.1 cents a pound, spot prices averaged 65 cents a pound during April. Until the 1983 crop starts coming in, prices close to this range will be needed to encourage loan redemptions.

Planting for the 1983 crop got an early start in Arizona, but has been constrained elsewhere by wet weather. With 95 percent of the cotton base acreage enrolled in the 1983 program, a sharp drop in plantings is expected. Production is projected at 9.2 million bales in 1983, 2.5 million below projected use and 2.8 million less than 1982's output.

The estimate of world cotton production in 1982/83 remains at 67.6 million bales, 3.3 million below last year. Output may decline modestly in 1983/84

because the U.S. crop is expected to be 20 to 25 percent smaller.

The U.S. export forecast for this season was increased 0.1 million bales to 5.4 million in March, as further Soviet purchases of U.S. cotton were confirmed. This demand increase helped boost U.S. prices, but gains were not copied by other exporters, and according to European price quotes, U.S. cotton became less competitive.

The impact of the PIK program on U.S. exports is likely to be mixed. In the long run, lower stocks should buoy prices and dampen U.S. export volumes, leaving the value of U.S. cotton exports relatively unaffected. Foreign production could increase modestly because of higher world prices, and cotton consumption likely would be a bit less than it would have been without the PIK program. [Keith Collins (202) 447-8776 and Ed Allen (202) 382-9820]

Sugar

World sugar production in 1982/83 is estimated at 98.6 million metric tons, down about 2 million from last season, primarily reflecting production cuts in Cuba and Italy. World sugar consumption could reach 93 million tons, still short of production. Thus, at season's end, global stocks are expected to exceed 40 million tons—equal to more than 42 percent of annual use. Prospects are better for 1983/84, however, as production is likely to decline because of this season's low sugar prices. And with economic recovery, sugar consumption could rise enough to stabilize or possibly reduce stocks.

The world price of sugar (f.o.b. Caribbean) fluctuated within a range of about 1 cent during the first quarter of 1983. In late-April, the price was slightly above the March average of 6.2 cents a pound. Prices are forecast at 6 to 8 cents a pound in 1983, down from 8.4 cents last year. The ratio of stocks to consumption will likely continue historically high over the next several seasons, but prices could improve as stocks decline and consumption rises. Prices may average about 8 cents in 1984 and rise to over 10 cents in 1985.

Total U.S. sugar output in 1982/83 is estimated at a minimum of 5.6 million short tons, 10 percent below last season. In 1983/84, beet sugar output

could be down more than 100,000 tons (raw equivalent) as a result of contract difficulties between western beet growers and processing companies. Heavy rains in California have hampered the harvest of overwintered beets, thereby delaying 1983/84 plantings. Cane sugar output may also decline about 100,000 tons, assuming that cane yields fall from their 1982/83 high. Depending on yields, U.S. sugar production next season could range between 4.8 and 5.7 million tons.

Sugar deliveries for consumption in fiscal 1983 are still estimated at 9.05 million tons, down nearly 4.4 percent from 1981/82. Deliveries are expected to fall 100,000 tons in fiscal 1984. Refined sugar consumption dropped to 75.3 pounds per capita last year, more than 10 pounds less than in 1979.

In March, wholesale list prices for bulk cane sugar in the Northeast eased slightly to 31.5 cents a pound from 32 cents in January. Southeast and Gulf prices also slipped marginally. All other prices held steady at 28 to 29 cents a pound, depending on the market area. Current wholesale list prices are generally 1 to 2 cents above 1982 average prices.

In March, U.S. retail prices for refined sugar averaged 35.7 cents a pound, up slightly from 35.5 cents the previous month. Retail prices, which averaged 34.4 cents in 1982, are estimated to rise about 3 cents in 1983.

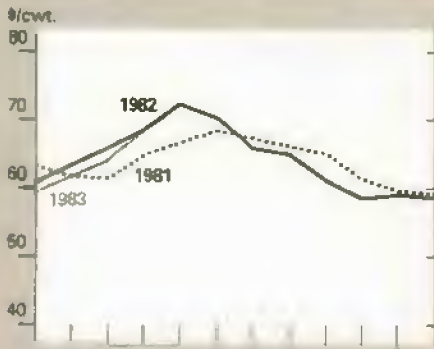
U.S. consumption of corn sweeteners reached a record 5.6 million tons in 1982, up 9 percent from 1981. Use of high fructose corn syrup (HFCS) is forecast at about 3.4 million tons this year, up from 3.1 million in 1982. In March, prices for 55-percent HFCS strengthened about 2 cents a pound in most markets, but they continue to be sharply lower than for sugar. [Robert Barry (202) 447-7290]

Tobacco

Disappearance of flue-cured tobacco may decline in the current marketing year from last year's 1 billion pounds. Both exports and domestic use are likely to fall. Thus, even with the smaller 1982 crop, the carryover on July 1, 1983, will probably rise about 3 percent from last July's 2.15 billion pounds. As a result of a reduced quota, production in 1983 is expected to drop from last year's 1 billion pounds.

Commodity Market Prices: Monthly Update

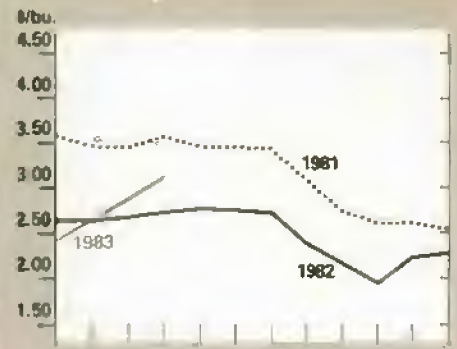
Choice steers¹



Broilers⁴



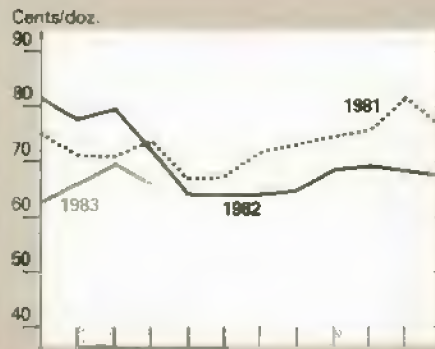
Corn⁶



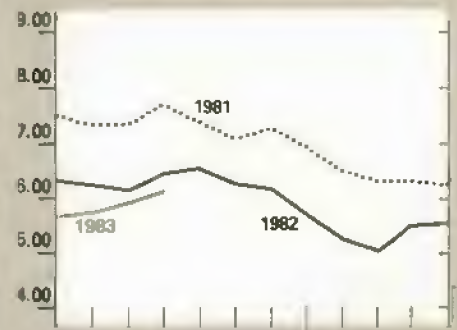
Choice feeder cattle²



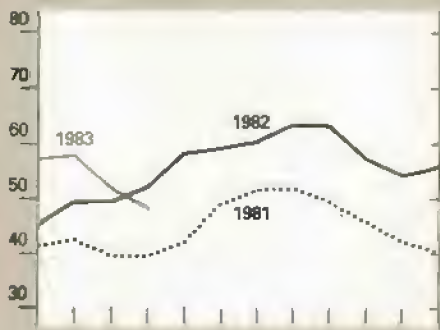
Eggs⁵



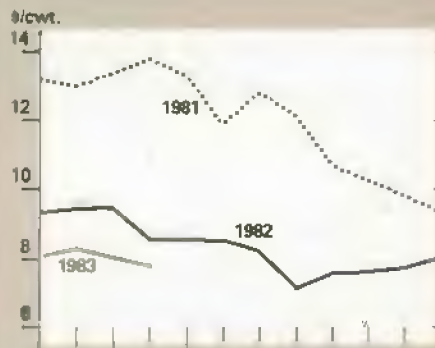
Soybeans⁷



Barrows and gilts³



Rice (rough)



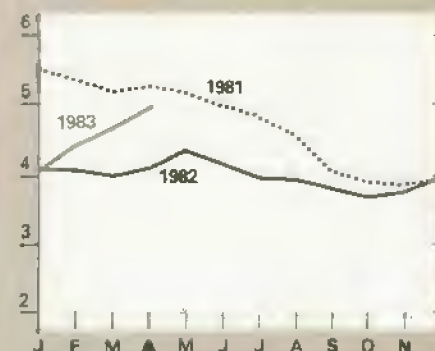
Wheat⁸



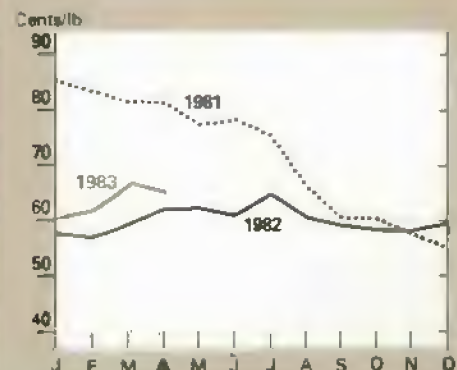
All milk



Sorghum grain



Cotton⁹



Prices for most recent month are mid-month prices.
¹Omaha, 2600-700 lbs., Kansas City. ³7 markets

⁴Wholesale, New York. ⁵Grade A Large, New York.

⁶No. 2 Yellow, Chicago. ⁷No. 1 Yellow, Chicago.
⁸No. 1 HRW, Kansas City.
⁹Average spot market, SLM, 1-16."

Total disappearance of burley tobacco this season may change little from last year's 605 million pounds, as continued export strength about offsets lower domestic use. Burley sales this marketing season totaled about 770 million pounds. Growers who produced more than 100 percent of their effective quota were permitted to deliver the excess to the two burley tobacco cooperatives, where it will be processed and stored for sale during 1983/84. On October 1, the burley carryover is expected to be 15 percent above a year earlier.

USDA has set this season's burley marketing quota at 646 million pounds, 5 percent below last year. The effective quota, reflecting last year's over- and under-marketings, totals 643 million pounds, 135 million below last season. Burley production is also expected to decline in 1983.

In a recent referendum, less than a majority of fire-cured and dark air-cured producers favored poundage programs, so acreage allotments will continue for these types. Acreage allotments for Virginia sun-cured and fire-cured crops are the same as last year. Allotments for Kentucky-Tennessee dark fire-cured, dark air-cured, cigar binder, and Ohio filler were reduced. Prices for dark fire-cured, dark air-cured, and cigar tobacco were lower this season than last.

Auctions for the 1982 crop of Maryland tobacco (type 32) opened March 15 and ended May 12. Prices averaged \$1.55 a pound in March, nearly 20 cents lower than a year ago. [Verner N. Grise (202) 447-8776]

Peanuts

Domestic food use of peanuts has nearly recovered to the pre-drought levels of 1979. During August 1982-January 1983, edible use of shelled peanuts totaled 662.4 million pounds (raw basis), up 15 percent from a year earlier. Use of Virginia peanuts rose 109 percent, while use of Runners and Spanish peanuts were up 6 percent each. Apparent disappearance of cleaned in-shell roasted peanuts was 99.1 million pounds, up 4 percent.

Crushings of peanuts for oil and meal were down 40 percent during the first 6 months of this marketing year. On January 1, uncommitted CCC stocks totaled 175 million pounds (farmers' stock basis), down 58 percent from a year earlier.

Unlike domestic use, exports have not yet recovered to pre-drought levels. Even with an expected increase of 28 percent over last season, this season's exports will fall short of the 1979 level by about 30 percent. From August through February, exports totaled 404 million pounds, about 17 percent above a year earlier.

Contracts for 1983 additional peanuts were filed with the ASCS county offices by April 15. Since exports are recovering gradually, additional peanuts contracted for export are likely to have only a minor impact on planting intentions for 1983. Planted acres will also be determined by quotas, which have been reduced by 2.75 percent for the 1983 crop. [Jorge Hazera (202) 447-8444]

Fruit

Marking the sixth consecutive monthly decline, the index of grower prices for fresh and processing fruit dropped to 122 (1977=100) in March—down 5.4 percent from February and 16 percent below a year ago. The March decline was mainly due to lower orange prices.

As of April 1, this year's total citrus crop was estimated at 13.6 million tons, 12 percent higher than last season. Remaining supplies of grapefruit, lemons, and oranges are sharply larger than in 1981/82—as are apple stocks. And though demand for fresh grapefruit is strong, that for fresh oranges and lemons is weak. Thus, grower prices for fresh and processing fruit are expected to remain substantially lower than a year earlier at least through spring.

The recent adverse weather in the Southeast and in California could reduce supplies of summer fruit. Freezing temperatures in March may have hurt the peach crops in some sections of South Carolina and Georgia. California rainstorms damaged strawberries there, pushing prices generally higher early in the season than a year ago. However, prices have declined sharply with increasing volume. The April prices received by growers averaged 15 percent below a year earlier. In some areas of California, fruit trees and vines have been in water for extended periods of time. Poor pollination weather has also adversely affected some summer fruit prospects. It is likely that summer fruit and tree nut

output in California—including nectarines, peaches, sweet cherries, and almonds—will be smaller than a year ago. However, it is still too early to assess the extent of the damage. [Ben Huang (202) 447-7290]

Vegetables

The area for harvest of fresh vegetables this spring is down 6 percent from a year ago because of heavy rains in California this winter and early spring. Damage in the Salinas Valley area has had particular impact. Of the eight major vegetables listed (broccoli, carrots, cauliflower, celery, sweet corn, lettuce, onions, and tomatoes), acreage fell for all items except tomatoes and sweet corn.

With the floor of the Salinas Valley water logged, growers planted lettuce on higher ground normally planted to cauliflower and broccoli. This will likely cause a substantial drop in the production of these two crops. Nevertheless, the rains in California and other growing areas may reduce lettuce yields. Rains also reduced celery plantings along California's south coast. In contrast, the area cut-backs for onions and carrots resulted from poor prices since last year.

The reduced area and potentially lower yields point to higher fresh vegetable prices this spring. The grower price index for fresh vegetables, which averaged 119 (1977=100) during January-March, will probably average 135 to 145 for the spring quarter, a gain that will be the first year-over-year increase since late 1981. Retail prices will likely rise slightly less.

Potato prices at shipping points rose sharply early in the spring, partly because much of the fall crop in storage has been depleted. In addition, some of the price gain can be attributed to a "rain psychology", resulting from the prospect of substantially reduced spring-crop yields in California and the Southeast. The initial forecast of the spring crop is 17.8 million cwt, 13 percent less than last year and the second smallest output on record. During April-June, growers will likely receive an average of \$5.00 to \$6.00 per cwt, compared with \$6.30 a year ago and \$3.72 during January-March. Meanwhile, retail prices will be above their winter levels, but up to 10 percent below a year ago. [Michael Stellmacher (202) 447-7290]



Farm Income Update

The outlook for 1983 farm income, although improved since the advent of the PIK program, remains uncertain. Unknowns at this time include the timing of PIK marketings, the extent of input use cutbacks because of PIK and the acreage-reduction programs (ARP), and the strength of the developing economic recovery. However, some of the positive influences on farm income in 1983 and 1984 are clearer: declining interest rates, lower inflation, reduced input use, increased farm commodity prices, and reductions in commodity inventories. These factors will improve the farm sector's income position in the long run as well as during the current year.

Net cash income—which measures the cash available for capital asset purchases, loan retirement, and farm household operation—is forecast to range from \$32 to \$36 billion in 1983, exceeding the \$32.2 billion estimated for 1982. Total net farm income after inventory adjustment is expected to range from \$18 to \$22 billion this year, compared with an estimated \$20.4 billion for 1982. Net farm income before inventory adjustment (referred to as “realized net farm income”) is forecast at \$20 to \$24 billion, compared with the \$20.2 billion estimated for 1982.

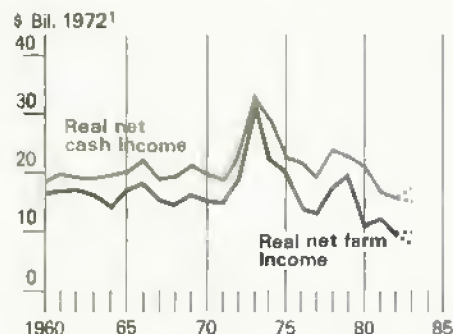
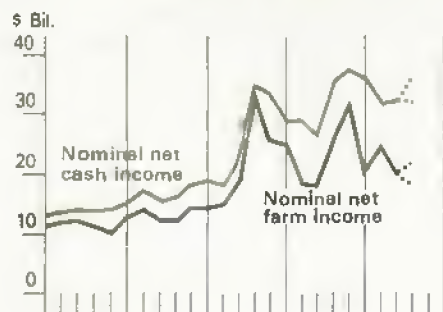
The value of inventory change will be negative—ranging from -\$1 to -\$4 billion—as physical stocks at the close of the year (excluding stocks held under CCC loan) are expected to fall below those of a year earlier. Though livestock inventories are expected to gain in 1983 as cattle and hog numbers rise, this increase will likely be outweighed by the decline in crop inventories.

Prices Paid by Farmers To Rise Slowly

During the first quarter of 1983, the ratio of prices received to prices paid by farmers improved. The index of prices received rose more than 2 percent from the previous quarter as both crop and livestock prices increased, while prices paid rose just over 1 percent. The increase in prices paid, mostly reflecting higher prices for feed, replacement livestock, and machinery, was limited by price declines for fertilizer and fuels. In March, average prices for gasoline and diesel fuel were 10 percent below a year earlier. However, April gasoline prices increased 6 cents, with the new Federal fuel tax accounting for 5 cents. The diesel fuel price does not include the Federal fuel tax.

For the year, prices paid by farmers for all items may rise 2 to 4 percent, after increasing about 4 percent in 1982. Overall, feed and equipment prices are forecast to rise the most. Prices received for livestock are expected to

Net Cash Income Likely To Rise in 1983



¹Deflated with GNP deflator.
Forecast for 1982 and 1983.

remain near year-earlier levels, while crop prices rise somewhat. Feed grain prices will likely gain the most because of PIK- and ARP-generated declines in production and stocks. Nevertheless, the overall gain in crop prices will be partly muted by substantial declines in fruit prices caused by large increases in supplies, especially of citrus.

Indexes of Prices Paid by Farmers To Rise Slowly in 1983

	1978	1979	1980	1981	1982p	1983F
1977=100						
Feed	98	110	123	134	122	130 to 134
Feeder livestock	140	185	177	164	164	165 to 169
Seed	105	110	118	138	141	136 to 140
Fuels and energy	105	137	188	213	211	198 to 202
Fertilizer	100	108	134	144	144	139 to 143
Agricultural chemicals	94	96	102	111	119	121 to 125
Autos and trucks	106	117	123	143	159	170 to 174
Tractors and self-propelled machinery	109	122	136	152	155	171 to 175
Building and fencing	108	118	128	134	135	130 to 143
Production items	108	125	138	148	149	153 to 155
Commodities and services¹	108	123	138	150	156	158 to 162

p = Preliminary, F = Forecast. ¹ Includes interest, taxes, and wages.

Source: SRS

PIK May Change Marketing Patterns

Although the pattern of crop marketings is always a major unknown in forecasting a year's cash receipts, the storage-assistance provision of the PIK program adds considerably more uncertainty for 1983 and 1984. Since farmers in the PIK program have up to 5 months of free storage from the date of entitlement to PIK grain and cotton, decisions on marketing these commodities could be different than usual. Many may hold the grains and cotton in hopes of getting higher prices later on, rather than taking the harvest-time price.

Because the ultimate effect on the marketing distribution is unknown, ERS will use the usual 3-year average in its forecasts—while monitoring the Statistical Reporting Service's monthly marketing data for unusual variations. The actual marketing pattern for 1983 crops, including PIK commodities, will not be known until solid data is available in December of 1984.

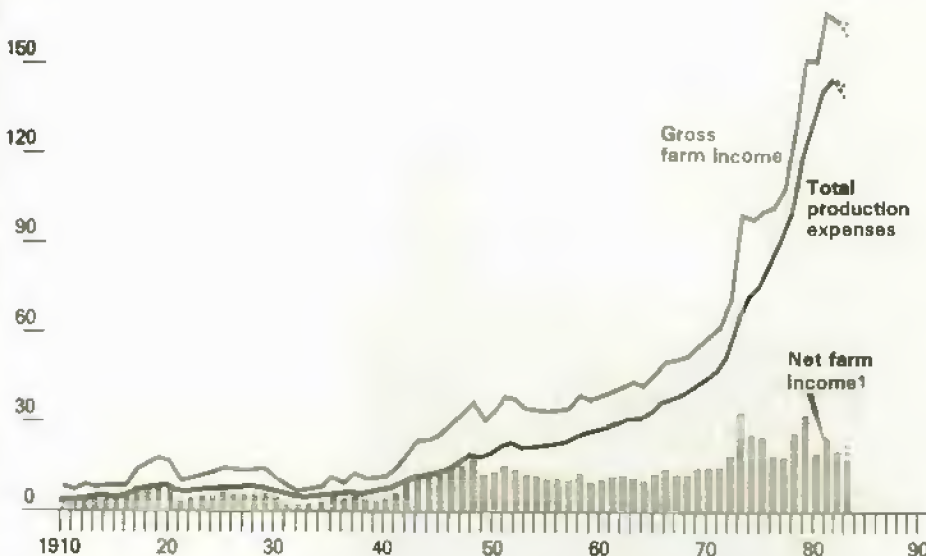
Government Payments To Rise

Direct government payments in 1983 will consist of both cash payments (deficiency, diversion, disaster, storage, and miscellaneous programs) and payments-in-kind. With the value of PIK commodities totaling around \$6 billion (valued at loan rate levels) in calendar 1983, total direct government transfers could add about \$10 billion (\$4 to \$5 billion in cash payments and \$5 to \$7 billion in PIK) to gross farm income. The disbursement of another \$1 to \$3 billion worth of PIK commodities could be delayed until 1984, as some farmers take full advantage of the 5 months of storage assistance. The total value of PIK commodities will be largest for corn producers, followed by wheat and cotton producers.

Cash payments are forecast to range from \$4 to \$5 billion—up from \$3.5 billion in 1982. Deficiency payments could range from \$1 to \$2 billion, compared with \$2.0 billion last year. The per-unit deficiency payment rates, used to determine advances made to farmers this year, are currently set at the maximums (target minus regular loan rate) for each applicable crop.

Production Expenses Forecast Down: First Drop in 30 Years

\$ Bil.
180



¹Residual of gross farm income minus total production expenses. Forecasts for 1982 and 1983.

However, it now appears that market prices will exceed the loan rates, so the actual per-unit payment rates—and thus the earned payments—will be less than the maximum. If market prices rise enough later this year and next, some refunding of advances would be required. However, any necessary refunds would likely come during calendar 1984, when the actual per-unit payment rates are determined. This accounting quirk would not affect 1983 payments but would show up as producer repayments (subtractions from gross payments in 1984). This means that actual 1983 cash payments could be overstated—with any deficiency payment that must be returned in 1984 being, in effect, a no-interest loan for 1983.

Cropland diversion and storage payments will each likely add over \$1 billion to the 1983 total. Storage payments totaled \$300 million in 1981, over \$900 million in 1982, and likely would have continued to rise into the foreseeable future. Now, with PIK releasing commodities from the reserve, storage payments should begin to decline in 1984. Cash payments for miscellaneous programs (including the Wool Act and various conservation programs) may add another \$200 to \$300 million to 1983's cash payments.

Production Expenses To Show First Drop Since 1953

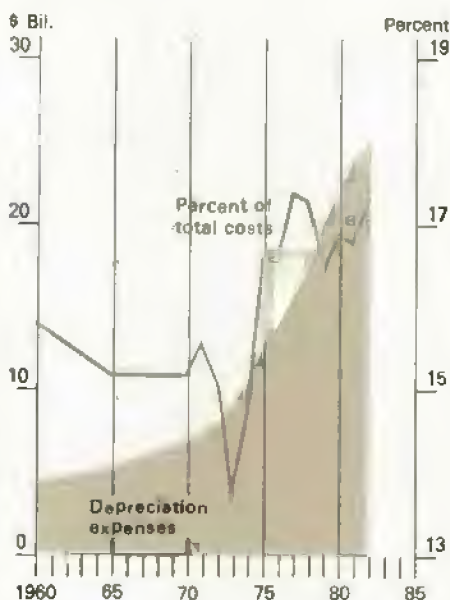
The large decline anticipated in spring plantings is the major force behind the projected 2 to 4 percent fall in 1983 farm production expenses. Expenses, which have only declined twice since 1940 (1949 and 1953), are forecast to range from \$139 to \$143 billion—compared with \$144.4 billion expected for 1982.¹ Reduced input use due to the large cutback in acreage planted is the major cause for the expected reduction in production expenditures. However, smaller input-price increases, especially for manufactured inputs, plus an easing in farm interest rates will also act to dampen this year's expenditures. Nearly all expenses associated with crop production will be affected, though the acreage decline will be especially important in determining outlays for fertilizer, pesticides, fuels, seed, repairs, and operating credit.

¹Production expenses for 1982 technically remain forecasts until June, when new information from the 1982 Farm Production Expenditures Survey is compiled and actual 1982 expenses are estimated.

Expenses for inputs of farm origin—which are mostly associated with livestock production—are expected to rise 6 to 8 percent to over \$32 billion, mostly because of higher feed prices. Manufactured feed accounts for over 60 percent of the feed expense category, with raw grains, hays, and byproducts accounting for the rest. Thus, the impact on feed expenses from a rapid rise in grain prices is blunted somewhat by changes in manufacturers' margins and the inclusion of other feed ingredients (hays, soymeal, etc.).

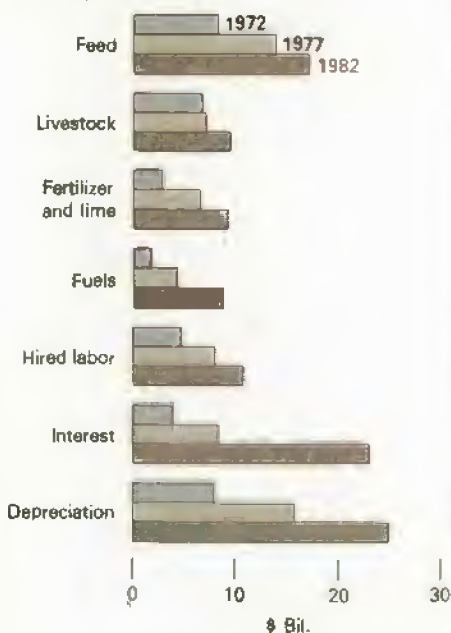
Total farm interest expenses are forecast to decline this year. While interest paid on real-estate debt is expected to rise slightly, non-real estate interest expenses could fall as much as a tenth. Interest rates on short-term credit are expected to decline measurably from the 1982 averages. Although total non-real estate debt outstanding on January 1, 1984, is forecast to remain near year-earlier levels, the

Depreciation Expenses Taking a Bigger Bite



1982 Forecast.

Fuel, Interest, Depreciation Costs Up Sharply Since 1972



average non-real estate debt outstanding for 1983 is still expected to increase slightly.² Thus, all the decline in non-real estate interest expenses will result from lower interest rates paid on the outstanding debt. This would be the first year-to-year decline in non-real estate interest expenses since 1954. The percentage of total expenses accounted for by short-term interest charges—which measured nearly 8 percent in 1981 and an expected 9 percent in 1982—will also decline in 1983.

Real-estate interest expenses are expected to rise at a slower clip than during the past few years. Although long-term rates have declined recently, this will not affect the average rate on real-estate debt outstanding much because of the longer turnover time for real estate debt. Average real estate debt will likely rise more slowly in 1983 than in recent years, with the amount outstanding on January 1, 1984, expected to be somewhat higher than the previous year. [Gary Lucier (202) 447-4190]

² Average debt outstanding is used in computing interest expenses. The Jan. 1 values are estimates for a single point in time, while the average over the year is defined as the average of Jan. 1 debt for the beginning of the current year and Jan. 1 debt for the following year.

Handling PIK in the Farm Income Accounts

The treatment of PIK commodity transfers in the farm income accounts will be consistent with both the CCC fiscal and inventory accounts and the National Income Accounts. The value of PIK commodities received by farmers will be treated as a direct government payment, the usual treatment for diversion payments.

The CCC has decided to consider current loans used to satisfy PIK requirements as redeemed loans since the CCC will require farmers to redeem (pay off) their CCC loans in the amount of their PIK. Simultaneously, CCC will purchase the commodity from the farmer and enter it into CCC inventory; then, the CCC will give farmers title to the amount of commodity they are eligible to receive. This commodity can then be marketed, fed, or used in any manner the farmer wishes (with the exception of placing it under CCC loan).

In the farm income accounts, farmers' loan payoffs will become redemptions of CCC loans—reducing the cash receipts figure. (Cash receipts equal the value of marketings plus net CCC loan values. Net CCC loans equal new loans minus redemptions.) When the farmer, in turn, receives the commodity from the CCC, this quantity will be added to the available supply for use in feeding or marketing. If the commodity is sold, it will enter the cash receipts account. If it is not fed or sold by December 31, 1983, the unsold commodity will enter the inventory account. If the PIK commodity originates from the CCC's (government-owned) inventory rather than from farmers' nonrecourse loans, there will be no effect on the cash receipts account from the transfer of commodity title until it is sold.



World Agriculture and Trade

WORLD ECONOMIC OUTLOOK:

Modest World Recovery Imminent
Signs of a slow turnaround in the international economy are becoming more apparent, suggesting that a worldwide recovery will begin soon. In the developed countries, industrial production had begun to increase by January 1983. The U.S. economy showed moderate growth in the first quarter, and surveys indicate more business optimism in Germany and the United Kingdom. Prices for internationally traded commodities have risen almost continually since last October, suggesting that export earnings by developing countries will probably increase over the year.

World economic growth is forecast at about 2 percent for 1983. Unlike most years, the growth rate for the industrialized economies is apt to be slightly higher than that for the developing economies. Negative growth in Latin America could almost offset the projected gains in Africa and Asia. Expansion in the centrally planned economies will also be moderate this year—projected at 2.5 percent—because most of Eastern Europe continues to face balance-of-payments deficits.

International Economic Projections for 1983

	Real GNP Growth				Inflation rates			
	1980	1981	1982p	1983F	1980	1981	1982p	1983F
United States	-0.4	1.9	-1.8	2.2	13.5	10.4	6.2	3.8
Canada	0.0	3.0	-4.8	1.0	10.1	12.4	10.8	7.0
EC-10	1.1	-0.8	0.5	1.0	12.3	11.6	10.0	7.5
Japan	4.2	2.9	2.5	2.5	8.0	4.9	2.6	2.6
Africa	0.2	3.1	2.6	3.0	17.0	19.0	16.0	13.0
Asia	4.6	5.9	3.2	4.9	16.0	14.0	7.0	6.0
Latin America	4.4	0.2	-1.0	-2.5	56.0	63.0	75.0	70.0
Centrally planned . .	2.4	1.5	2.5	2.5	n.a.	n.a.	n.a.	n.a.

p = preliminary. F = Forecast. n.a. = not available.

The United States Seen Leading World Recovery

Recovery is likely to begin in the United States, thereafter spreading to other countries as trade increases. Though the U.S. recovery will probably be weaker than most since World War II, stronger consumer spending here and elsewhere could boost recovery in the foreign industrialized economies. Unless consumer demand picks up substantially, the recovery will likely be concentrated in inventories and, to a lesser extent, in exports. Unemployment will remain high as a result. Last December, the Organization for Economic Cooperation and Development (OECD) forecast that unemployment in the foreign industrialized countries would remain over 8 percent in 1983. The unemployment rate in Europe—which is about the same as in the United States—will likely remain steady this year, while the U.S. rate will probably decline.

In January, wages in the major industrialized countries were 6.6 percent higher than 12 months earlier, a smaller gain than 1982's average of 9.2 percent. The smaller wage gains will prevent a resurgence of inflationary pressures in 1983 and 1984. Inflation in the major industrialized countries is forecast to average only 5 to 6 percent this year, compared with 7.5 percent in 1982.

The major spur to growth will be a decline in short-term interest rates abroad, which could average about 8 percent this year—down from 10.5 percent in 1982. The decline in interest rates is apt to boost demand for autos, housing, and other consumer durables,

and will also ease the cost of financing inventories. Interest rates could average even lower than 8 percent if U.S. rates decline further. Officials in most foreign countries have had to keep interest rates roughly in line with movements in U.S. rates in order to prevent their currencies from weakening further against the dollar.

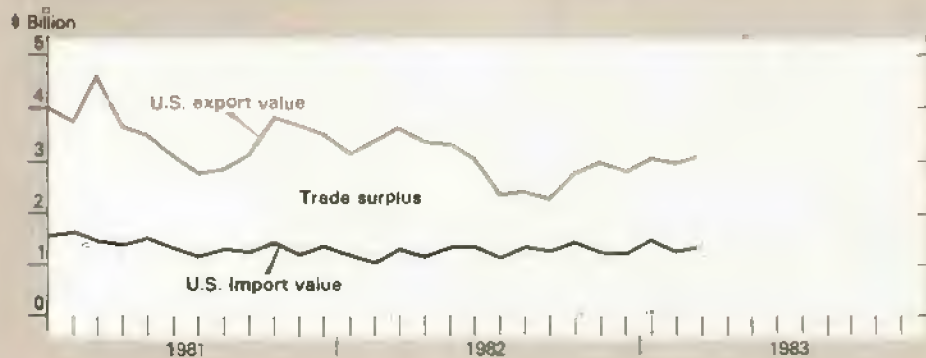
The dollar will probably remain strong through 1983, perhaps depreciating only 1 or 2 percent (on a year-over-year basis). High returns on U.S. dollar assets relative to those of other currencies and expectations of an imminent U.S. recovery continue to keep the dollar strong, despite projections that the U.S. current-account deficit could shoot up to \$25 to \$30 billion. Total U.S. exports are unlikely to gain much from world recovery in 1983, as consumption abroad will be advancing only slowly, unemployment will remain high, and foreign-exchange constraints will be limiting demand in the developing nations.

Lower Oil Prices Brighten Economic Prospects

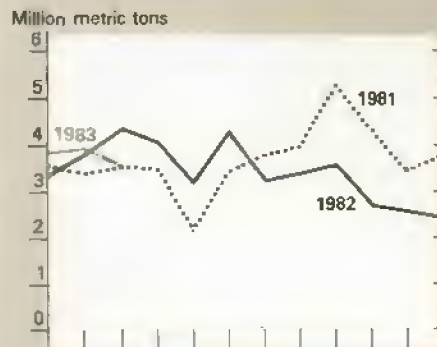
The lowering of official petroleum prices that began in February brightens the prospects for world recovery this year. Although oil-exporting countries will lose some spending power this year, the world as a whole will benefit. Even the oil-exporting countries will benefit somewhat from the lower interest rates and inflation that will result from reduced oil prices—which for example, will lower the cost of servicing international debts.

U.S. Agricultural Trade Indicators

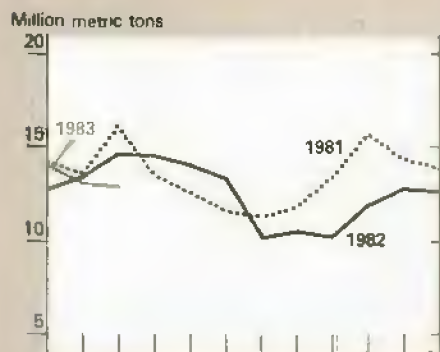
U.S. agricultural trade balance



U.S. wheat exports



Export volume



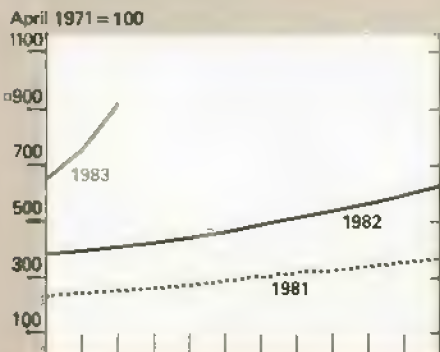
Export prices



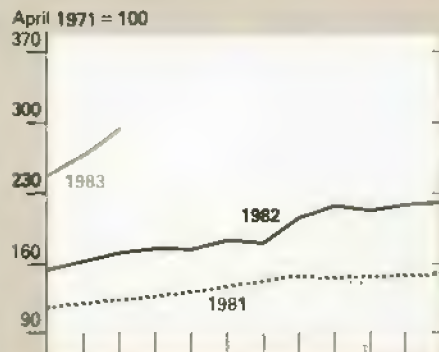
U.S. corn exports



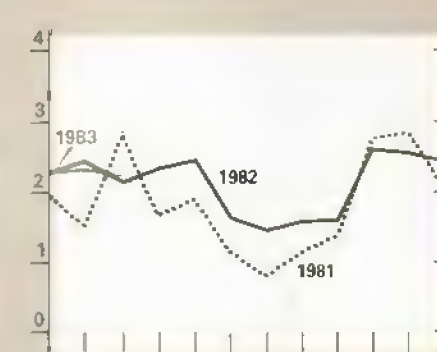
Wheat exchange rate*



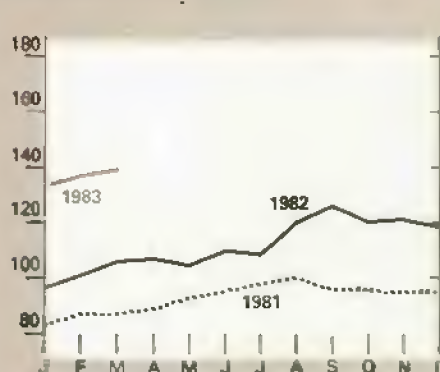
Corn exchange rate*



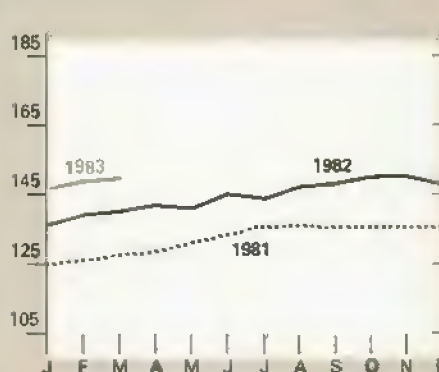
U.S. soybean exports



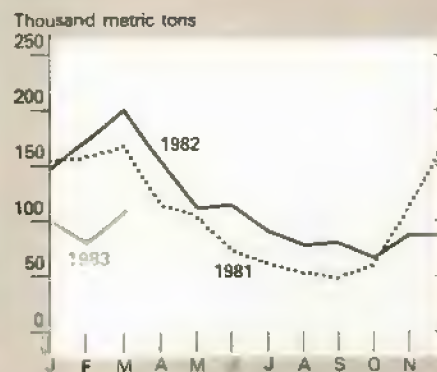
Soybeans exchange rate*



Cotton exchange rate*



U.S. cotton exports



*Foreign currency value of U.S. dollar, weighted by relative size of agricultural trade with the United States. An increasing value indicates that dollar has appreciated against the basket of currencies represented in that particular commodity market

Several trends suggest that the demand for oil may not increase strongly as recovery begins, maintaining pressure on the Organization of Petroleum Exporting Countries (OPEC) to reduce prices. Oil consumption by OECD countries, the heaviest users of oil, has declined steadily since 1979. The ratio of oil consumption to gross domestic product has also declined in the OECD—suggesting that, even with a recovery, the OECD's demand for oil will not escalate. Furthermore, non-OPEC production of oil is now greater than OPEC production, so OPEC's share of the OECD market will likely decline when oil demand eventually rises.

Meanwhile, OPEC has seen its current-account balance plunge from \$110 billion in 1980 to an estimated \$2 billion in 1982. For OPEC members with large populations and a high volume of imports, financial conditions may be even worse. They and other oil producers with foreign-exchange shortages could try to push prices down in order to increase their share of a smaller or slowly growing world market. [Art Morey (202) 447-8470]

Upcoming Economic Reports

Title	Summary Released
Sugar & Sweetener	June 3
Tobacco	June 6
World Crop Production	June 10
World Ag Supply & Demand	June 13
Dairy	June 16
World Ag Supply & Demand	June 23

For subscription information, write or call: EMS Information, Rm. 440 GH1 Bldg, 500 12th St. SW, Washington, D.C. 20250 (202) 447-8590. Summaries are available on AGNET on the dates indicated; AGNET will have the full reports within 2 to 3 days of summary release.



General Economy

Modest Recovery Still Expected In 1983

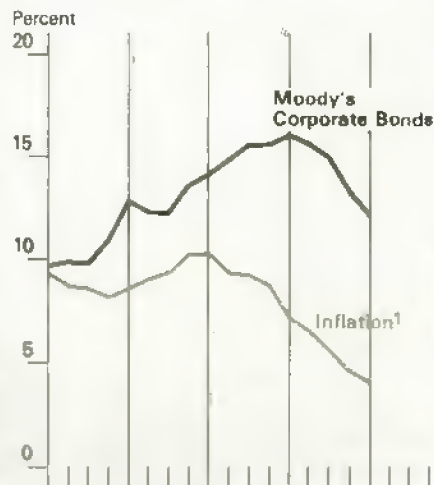
As the second quarter of 1983 began, the economy appeared to be in the early stages of a modest recovery. Preliminary estimates showed real GNP up about 3 percent (annual rate) in the first quarter; however, this gain mainly reflects a lower rate of inventory liquidation than in the previous quarter—not an increase in final sales. In fact, real final sales (GNP minus the change in inventories) rose at an annual rate of less than 1 percent during January-March.

Nevertheless, the economy appears to have bottomed out. Total employment has stabilized, industrial production is increasing, and consumer demand is expected to strengthen gradually over the year. Overall, real GNP and disposable personal income are forecast to rise 2 to 3 percent in 1983 (year-over-year basis) and about 4 percent next year.

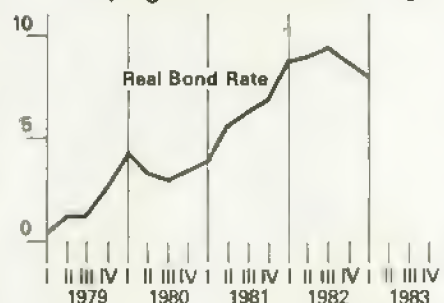
Sustained Recovery Depends on Lower Real Interest Rates

Although nominal interest rates have declined substantially from their recent highs, inflation has subsided even more—leaving real interest rates historically high. For example, the rate on Moody's Corporate Bonds has fallen 3.8 percentage points from last year's

Inflation Fell Faster than Nominal Interest Rates.



Keeping Real Interest Rates High



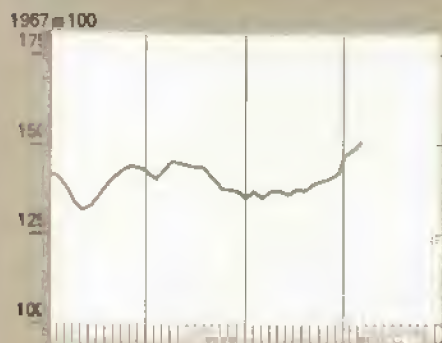
¹Year-over-year change in GNP implicit price deflator.

high of 15.9 percent, while inflation (as measured by the year-over-year change in the GNP implicit price deflator) has fallen 6.2 points from 1981's peak of 10.3 percent. Thus, real interest rates (interest rates minus inflation) actually rose in 1982 even through nominal rates declined.

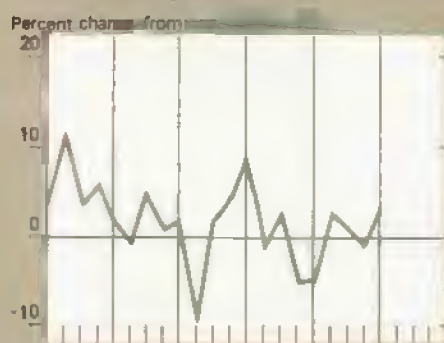
Most economists believe that real rates are more significant than nominal rates in determining economic growth. If this is correct, then real interest rates (currently at about 8 percent) must drop further in order to achieve a strong, sustained recovery. Major factors keeping upward pressure on real rates include the current policy mix of a record Federal deficit combined with moderate monetary restraint, sticky long-run inflationary expectations, and deregulation of financial markets.

General Economic Indicators

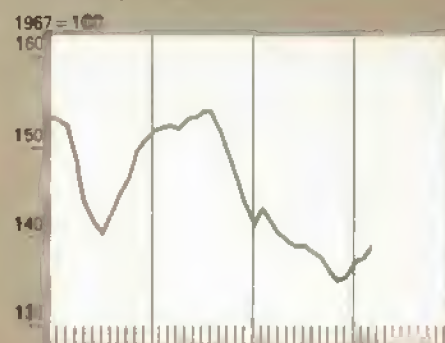
Composite leading economic indicators



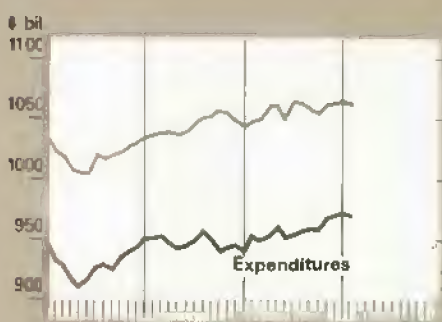
Gross national product¹



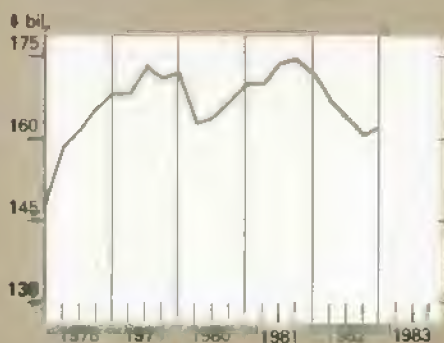
Industrial production



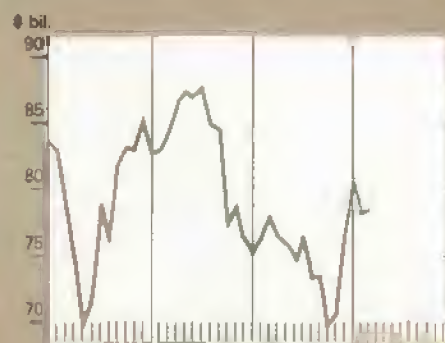
Disposable income and consumption expenditures²



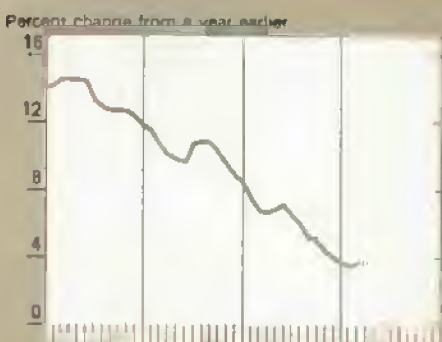
Nonresidential fixed investment²



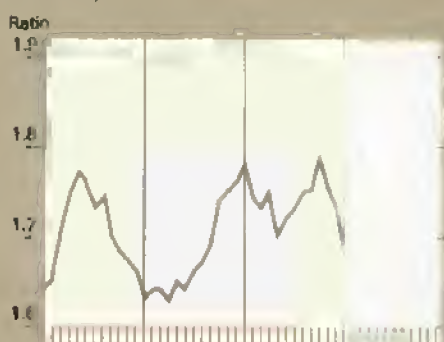
Manufacturers' durable goods orders³



Consumer price index



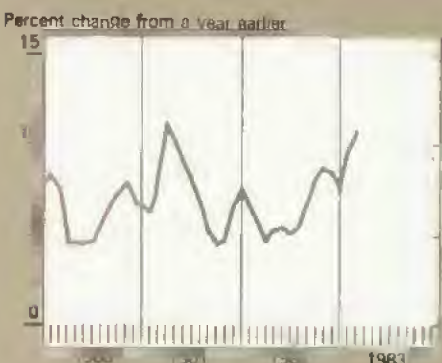
Inventory/sales⁴



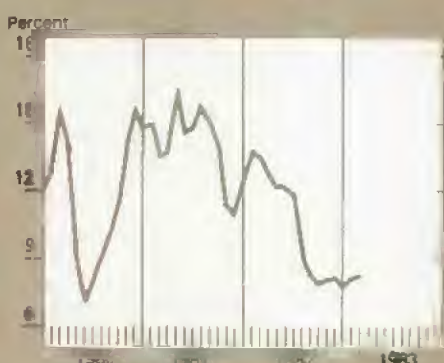
Unemployment rate⁵



Money supply (M1)



3-month treasury bill rate



Savings rate⁶



¹Percent change from previous quarter in 1972 dollars. Seasonally adjusted annual rates. ²Billions of 1972 dollars, seasonally adjusted at annual rates.

³Nominal dollars. ⁴Manufacturing and trade, seasonally adjusted, based on 1972 dollars. ⁵Seasonally adjusted. ⁶Calculated from disposition of personal income in 1972 dollars, seasonally adjusted at annual rates. Sources are U.S. Dept. of Commerce, U.S. Dept. of Labor, and the Board of Governors of the Federal Reserve System.

Unemployment Rate Drops As Labor Force Declines

Household survey data indicate that the civilian unemployment rate dropped from a postwar high of 10.8 percent in December to 10.2 percent in April. Until March, the lower unemployment rate mainly reflected an unusual decline in the labor force, not increased employment. However, in April, both the labor force and total employment were up slightly.

The labor force typically grows above trend during a business-cycle recovery, as people shift from the discouraged-worker category into active job searching in response to improved employment opportunities. Thus, the reported unemployment rate tends to stay high during the first year or two of recovery, even though employment is expanding. Current forecasts show unemployment remaining above 9 percent through mid-1984.

Housing and General Construction Leading Recovery

So far, the recovery is most evident in housing and general construction—considered the most interest-sensitive sectors of the economy. Housing starts are particularly strong, and residential investment in the first quarter was up about 28 percent from a year ago. Because of the housing recovery, demand for furniture and draperies has strengthened, improving the outlook for cotton demand. Housing and general construction are expected to continue to lead the recovery, with improved demand, employment, and production slowly spreading through the rest of the economy.

Real residential investment is forecast to rise about 25 to 30 percent in 1983 (year-over-year basis), while aggregate consumption may be up only 3 percent. Real consumer spending on food and beverages is expected to be up about 2 percent.

Investment, Net Export Outlook Remains Weak

The sectors exerting a drag on recovery are investment and foreign trade. Low levels of capacity utilization, weak final sales, and high real interest rates are expected to dampen

Fed Raises Monetary Growth Targets for 1983

	1982 target	1982 actual	1983 target
		Percent change	
M1	2.5 to 5.5	8.5	4.0 to 8.0
M2	6.0 to 9.0	9.2	7.0 to 10.0
M3	6.5 to 9.5	10.1	6.5 to 9.5

business investment in plant and equipment, thus restraining the overall economic recovery in 1983. When recovery is firmly established, higher utilization rates and an improved sales and profit outlook should cause a firming of business investment that will accelerate recovery in 1984.

The outlook for a continued strong dollar in 1983 and a sluggish world economy will dampen export growth for U.S. products. At the same time, import demand is expected to strengthen, aggravating the U.S. merchandise trade deficit—now forecast at a record \$50 to \$60 billion. Such a strong leakage from the U.S. income-expenditure stream will also act to constrain recovery.

As the world economy gathers strength in 1984, export demand is expected to improve. An anticipated decline in the U.S. dollar's value would further strengthen exports. A turnaround in business investment and exports would boost the U.S. recovery in 1984, with real GNP, consumption, and disposable personal income forecast to rise about 4 percent—the best economic performance since 1978.

Monetary Policy To Ease Somewhat

The Federal Reserve Board has raised its 1983 target ranges for M1 and M2 about 2 points and 1 point, respectively. Given an expected rebound in the velocity¹ of these money aggregates, the new targets should be considered expansionary. However, continued uncertainties in the supply-demand relationships for money will force the Fed to continue placing heavy emphasis on interest rates in implementing monetary policy. Therefore, interest rates should be more stable in 1983, rising less as the recovery proceeds than previously expected.

The Fed overshot its stated target ranges in 1982, a development that creates further uncertainties for monetary policy in 1983. The main unknown is the stability and predictability of the velocity of money. After increasing sharply in the late 1970's, 1982 produced unprecedented sharp declines in the velocity of M1, M2, and M3 of 4.4, 5.6, and 5.8 percent, respectively. The declines were due to greater desired liquidity, higher precautionary balances, and strong business loan demand. Under these conditions, had the Fed stuck to its stated target ranges, interest rates would have stayed high and the economy likely would have slid into depression.

Normally, the velocity of M1 rebounds sharply in a recovery. However, the rebound in 1983 is likely to be muted by the sharp decline in interest rates and inflation and by continued growth in super NOW accounts. While the broader aggregates will not be as sensitive to deposit shifts as the narrowly defined M1, the continued deregulation of financial markets and the phasing out of interest-rate ceilings will likely also dampen M2's velocity rebound.

The introduction of NOW and super NOW accounts will further complicate monetary policy in 1983 by generating different reserve flows, which will alter required reserve ratios and the money multiplier (the ratio of money to the reserve and currency base). Given these uncertainties, the Fed likely will place primary emphasis on interest rates, credit conditions, and incoming data on real-sector activity in implementing monetary policy in 1983. [Paul Prentice and Paul Sundell (202) 447-2317]

¹The number of times in the course of a year that the money supply is spent on goods and services—i.e., the ratio of nominal GNP to the nominal money supply.



Inputs

AGRICULTURAL FINANCE:

1983 Farm Programs To Improve Cash Flow

The announced farm programs for 1983 will improve the cash flow situation for many farmers. Nonrecourse crop loans, direct payments, and advanced deficiency and cropland-diversion payments will provide cash to participating grain and cotton farmers. The PIK program will enable farmers to reduce production expenses and receive an in-kind payment for reducing crop acreage. As a result, farmers will be able to retire high interest debt, reduce short-term credit, and consequently reduce interest expenses.

Credit demand will decline mostly for those lenders providing short term credit. Debt outstanding is expected to decline mostly with the CCC, reflecting redemptions of price-support loans due to the PIK program.

Smaller Farm Production Expenditures...

The heavy participation in this year's farm programs is expected to idle some 82 million acres of cropland. As a result, farm production expenses will be down significantly in 1983. Expenditures for fertilizers, pesticides, machinery repair, seed, fuel, and machine hire and hired labor are estimated to fall about 12 percent—or \$6.2 billion—from 1982. Because crop farmers normally finance a portion of their operating expenses, their use of credit will also fall as total expenses decline.

The impact on farm machinery purchases is expected to be minimal. Capital purchases of machinery may total \$9.9 billion, down 2 percent from 1982. However, because farm income and liquidity may increase, machinery purchases could even rise slightly.

...Together with Direct Payments and Price-Support Loans...

Direct government payments during calendar 1983 are expected to total \$4 to \$5 billion, up about \$1 billion from 1982. Though the PIK program will likely reduce deficiency payments from last year's levels, diversion payments will rise substantially. Also, PIK entitlements received at harvest time will eventually be sold, though some may be held until 1984.

Commodity price-support loans from the CCC—which provide farmers with both interim financing and a means for more orderly marketing—are expected to decline this year. With reduced acreage, crop stocks will decline—strengthening market prices and reducing the need for commodity loans. As a result, CCC loan disbursements during 1983 are estimated to be \$11 to \$13 billion, \$1 to \$3 billion less than in 1982.

Given the current financial pressure on the farm sector, farmers are most likely to use 1983 direct payments and funds from price-support loans to retire debt and purchase input and capital items that otherwise would have been bought with credit. The deficiency and diversion payments advanced on 1982 and 1983 crops have already had a positive impact on farmers' cash-flow position. During the fourth quarter of 1982, for example, such disbursements added about \$1 billion to farmers' cash flow.

...Will Reduce Demand for Credit

Farmers' demand for short- and intermediate-term credit is expected to decline this year because of reduced production expenditures and increased direct payments. Short-term loans for PIK related crop inputs are estimated to drop \$2.5 to \$3.0 billion from 1982. Intermediate-term lendings may be \$125 to \$140 million lower, but solely because of the potential decline in farm machinery sales.

Agricultural lenders have indicated that because 1983 cash-flow prospects have been improved by PIK, some farmers will continue to receive credit that otherwise would have been discontinued. However, credit problems are expected to continue through 1983. Most agricultural bankers anticipate that local-level interest rates will at best decline only slightly as a result of the expected easing in credit demand. If equally attractive alternative investments were present, rates would not decline. But competition among banks as well as a lack of alternative investments could produce a slight decline in rates.

Debt Outstanding To Grow Slowly in 1983

As a result of the 1983 acreage-reduction and PIK programs, total

Growth in Farm Debt To Continue Slowing During 1983

Farm debt ¹	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983 P	1984 F
	\$ Bil.														
Real estate debt	29.2	30.3	32.2	35.1	39.5	44.6	49.6	55.2	63.3	71.4	85.4	95.5	105.6	109.6	110 to 114
Non-real estate debt to:															
CCC	2.7	1.9	2.3	1.8	0.8	0.3	0.4	1.0	4.6	5.7	5.1	5.0	8.0	16.6	13 to 17
Others	21.1	22.3	25.1	28.0	33.1	36.7	41.6	47.7	54.9	63.7	75.3	81.5	88.1	91.5	90 to 94
Total farm debt ² . . .	53.0	54.5	59.6	64.9	73.3	81.6	91.5	103.9	122.7	140.8	165.8	182.0	201.7	217.7	217 to 221

P = preliminary. F = Forecast. ¹ For January 1 of each year. ² Totals may not add because of rounding.

farm debt is forecast to total \$217 to \$221 billion on January 1, 1984—ranging from a slight decline to a 2 percent increase from a year earlier. This compares with an average annual growth of 12 percent since 1970. The combined commodity programs are effectively lowering this year's expected debt by \$7.5 to \$11.5 billion. Nearly all of the reduction is due to reduced input expenditures, increased debt retirement, and PIK entitlements (which will reduce CCC debt).

The CCC's market share of total farm debt is forecast to fall below 7 percent, down from a pre-PIK estimate of nearly 9 percent. Accordingly, market shares for most other lenders are estimated to increase slightly.

Interest Expenses To Decline

Interest expenses paid by farmers during 1982 totaled \$23 billion, 16 percent of total farm production outlays. As a result of the acreage-reduction and PIK programs, interest expenses for 1983 are forecast to decline 2 to 3 percent from 1982. *[Linwood Hoffman (202) 447-7340]*

PIK's IMPACT ON FARM INPUT INDUSTRIES

By reducing input use, the PIK program will lower input industry revenues. Total farm expenditures for major input items (seed, fertilizer, pesticides, energy, and machinery purchases and repair and maintenance) are expected to be down nearly \$5 billion because of PIK. These items account for about three-fourths of farmers' total expenses. The already-troubled fertilizer industry will be most seriously affected. However, improved farm economic conditions in late 1983 and 1984 due to PIK will help reduce the financial stress that has developed in key input industries.

Expenditures for fertilizer, seed, and pesticides are expected to decline proportionately more than use because both prices and quantities will be down. However, since profit margins are low, suppliers would probably forgo sales rather than cut prices much further.

Input use for selected items may be down 10 to 15 percent overall, with declines of 20 to 25 percent for the PIK crops. Extremely wet weather this spring reduced demand for fertilizer and pesticides even more in some areas of the country.

Impact of Acreage-Limitation Programs on Selected Input Expenses in 1983

	Decrease in expenditures ¹	Percent decrease
	\$ Bil.	Percent
Expenditures:		
Seed	0.5 to 0.7	13 to 17
Fertilizer	1.2 to 1.4	13 to 16
Pesticides	0.5 to 0.7	13 to 17
Energy	0.8 to 1.0	9 to 11
Farm machinery:		
Purchases ²	0.2 to 0.3	2 to 3
Repairs and maintenance	1.2 to 1.4	12 to 15
Sub total	4.4 to 5.5	9 to 12
Other	1.0 to 2.0	1 to 2
Total ³	5.4 to 7.5	4 to 5

¹ From expectations without PIK. ² Income and expense accounts report depreciation rather than machinery purchases. ³ Excluding land.

Pesticides: Little Impact on Basic Manufacturers' Total Sales Foreseen

Pesticide use dropped 3 to 5 percent in 1982 and was expected to drop about that much again in 1983 under previously announced acreage-reduction and paid-diversion programs. However, as a result of the PIK program, overall pesticide use is likely to be down 12 to 15 percent. Use for individual crops is expected to be down 25 to 28 percent for rice and 25 to 27 percent for corn and sorghum. The crops involved in the PIK program account for about two-thirds of all crop pesticide use.

The impact on basic pesticide producers' overall sales will be minimal, as farm pesticides account for less than 10 percent of the total revenues for nearly all producers. Thus, a drop in farm pesticide sales of 12 to 15 percent would result in a total sales decline of less than 1 percent for most basic pesticide producers.

Pesticide distributors and dealers who specialize in farm chemicals would be more seriously affected. However, pesticides also generally account for a small share of sales for most farm input suppliers. Some custom applicators, particularly those serving the cotton industry, are likely to suffer a substantial loss of business. In general, however, the long-term effects of the PIK program on most segments of the pesticide industry should be minimal.

Fertilizer: Drop in Use Could Add to Industry Troubles

The PIK program could nearly triple the earlier-projected declines in fertilizer use. Fertilizer use declined by 9 percent in 1982, and a further reduction of 3 to 5 percent was expected in 1983 under the previously announced farm programs. PIK could reduce overall fertilizer use 12 to 14 percent. Use on corn and sorghum may drop as much as 25 to 27 percent, while use on wheat may be down 18 to 20 percent because of PIK. Total fertilizer use in 1983 is likely to be down 16 to 18 percent from last year and about 20 to 23 percent below 1981.

Use on program crops will probably fall slightly less than the decline in acres planted, as per-acre application rates are likely to be higher. Some fertilizer will also be used on conserving-use acres. Since last year's application rates were generally down for corn and wheat, some recovery in application rates for these crops is expected.

The PIK program in 1983 will likely add to the already-depressed conditions in the fertilizer industry. The domestic industry is currently operating at less than 70 percent of capacity, with prices below production costs for some producers. Additional reductions in use would further lower capacity utilization, put additional downward pressure on fertilizer prices, and further reduce industry profits.

Impacts of Acreage Reductions on Input Use

Input	Corn and sorghum	Wheat	Cotton	Rice	Five crops	Total agricultural use
Percent decrease						
Seed	25 to 27	10 to 12	18 to 20	25 to 28	22 to 23	12 to 15
Fertilizer	25 to 27	18 to 20	17 to 19	20 to 21	22 to 24	12 to 14
Pesticides	25 to 27	17 to 20	18 to 20	25 to 28	20 to 22	12 to 15
Energy	25 to 27	18 to 20	19 to 20	20 to 21	24 to 25	9 to 11
Machinery:						
Purchases of equipment, . .	2 to 3	1 to 2	2 to 3	2 to 3	2 to 3	2 to 3
Repairs, maintenance, and parts, . . .	20 to 22	12 to 15	15 to 17	24 to 26	17 to 18	12 to 15

The domestic fertilizer industry has been facing increasing competition from foreign producers. The export market for U.S. fertilizers declined in 1982, with little expectation of any substantial recovery in 1983. The phosphate industry, in particular, will be affected by further declines in domestic fertilizer use, given the flat export market.

The nitrogen industry will continue to be pressured by import competition. In addition, increasing natural gas feedstock costs will become more burdensome because expectations of price increases for domestic nitrogen products are weak.

Seed: Major Impacts Possible On this Specialized Industry

Since expected higher farm commodity prices might encourage farmers to increase plant populations slightly along with heavier fertilizer usage, the reduction in seed use is expected to be somewhat less than the acreage reduction due to the PIK program. The PIK program may reduce overall seed requirements 12 to 15 percent. Quantities of corn and sorghum seed purchased by farmers could decline 25 to 27 percent, while cotton seed purchases may be down 18 to 20 percent.

The domestic hybrid seed industry is highly specialized, with many manufacturers producing only one kind of seed. Reductions in acreage for a specific crop largely dictate the level of revenues for firms producing seed for that crop. Furthermore, very few seed manufacturers are engaged in other lines of business or are owned by diversified firms.

The larger firms producing hybrid corn seed would likely be able to withstand the potential reduction in demand resulting from a high level of PIK participation. There are many small seed-corn producers, however, who were in financial difficulty coming into 1983, and they are likely to experience cash flow problems and further financial losses as a result of PIK. The greatest impact on corn seed sales will be in the western fringe of the Corn Belt.

Sorghum seed producers are also quite specialized. Some sorghum seed companies were also in financial difficulty at the start of 1983 because of a significant reduction in export demand and a large carryover. The PIK program will create additional financial stress, but most firms should be able to adjust.

Cotton and wheat seed revenues will not be significantly affected, because farmers produce most of these seeds themselves. Cottonseed can be sold for crushing at about 75 percent of the price received for seed. Wheat and small grain seed can also be sold in other commercial markets at only a slight price discount. However, firms that provide cleaning and treating services for small grain and cotton seed are likely to experience a substantial drop in business.

The PIK program has generated considerable demand for seed used to produce soil-conserving crops. Following the announcement of the PIK program, seed companies almost immediately started buying up supplies of certain types of seeds that could be used for suitable cover on the conservation

use acreage. Some traders indicated sales in early 1983 were 2 to 3 times last year's total. Thus, supplies of many of these seeds are tight this year.

As a result of the rapid rise in demand, prices of these cover-crop seeds have increased dramatically since January 1. Increases in sales and prices of soil-conserving crop seeds will tend to offset losses in seed sales for the PIK crops, but gains and losses will be realized by different firms. Most of the domestic grass and legume seeds were booked last fall, so most producers did not benefit greatly from the recent price increases. Corn seed sales were also mostly booked last fall and did not suffer significant price declines because of the reduced demand.

Farm Machinery: Repair Costs To Be Most Affected

Of all farm inputs, farm machinery sales, which totaled about \$10 billion in 1982, are expected to be the least affected by PIK. Unit purchase requirements for farm machinery are estimated to drop 2 to 3 percent. Farm machinery sales have been dropping each year since 1979, with unit sales of some items down 50 percent or more. However, prices have been rising throughout this period (11 percent in 1980, 12 percent in 1981, and 6 percent in 1982). Consequently, dollar volume has not dropped nearly as much as unit sales. Since machinery sales are closely related to farm income, improvements in income prospects resulting from the PIK program could well increase machinery sales this year.

On the other hand, the overall demand for maintenance, parts, and repairs is expected to decrease along with planted acreage—with an average drop of 12 to 15 percent for wheat and as much as a 24- to 26-percent drop for rice. However, per-acre costs for maintenance and repair tend to increase with reduced acreage because there are certain fixed costs regardless of acreage planted. Repair and maintenance savings are assumed to be quite high for some crops, however, as the reduced fieldwork requirement will enable growers to perform more of these activities themselves.

Energy: Little Impact on Domestic Producers Expected
Total farm energy use (liquid fuel and electricity) is expected to drop 9 to 11 percent as a result of the PIK program. The decline varies from 18 to 20 percent for wheat to 25 to 27 percent for corn and sorghum.

Use of diesel fuel for corn, sorghum, cotton, and rice production is expected to be down almost 30 percent with PIK, while diesel fuel use for wheat production is likely to drop about 20 percent. Overall, about 25 percent less gasoline will be needed for producing the PIK crops. Liquid propane gas use on the PIK crops will probably be down more than 30 percent.

The reduction in energy use due to PIK should be partially offset by an increase in energy used to plant and care for conserving crops. Since crops eligible for the PIK program account for only about a third of total agricultural energy use, overall energy use will be less affected than most other inputs. The reduction of farm energy use should have a negligible impact on the domestic energy market, since farm energy use accounts for less than 5 percent of the total U.S. energy market. [Ted Eichers (202) 447-7340]

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Agricultural Prices

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- 7 Vegetables
- 10 Crop Production
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- 22 Cold Storage
- 22 Grain Stocks
- 23 Hogs & Pigs
- 23 Eggs, Chickens, & Turkeys
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- 24 Farm Production Expenditures (Summary Report)

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Transportation

TOFC Service To Gain Further In 1983

Transportation of fresh fruits and vegetables will be readily available this year, despite a much larger citrus crop and prospective gains in the summer and fall vegetable harvests. As usual, most produce items will move to market by truck. The share moved by trailers-on-flat-car (TOFC) will continue to grow, displacing some of the volume shipped by rail. In 1981, TOFC service accounted for 2.9 percent of all produce shipments, rising to 4.3 percent in 1982.

This growth in TOFC traffic has been associated with a new marketing institution. Known as transport brokers or shipper agents, these firms purchase TOFC space from railroads, often under relatively long-term contracts. These contracts establish somewhat stable rates for a set number of container positions over several months. The agent then sells individual container positions to produce packers and

TOFC Shipments of Fresh Produce To Continue Up

	Rail	TOFC Percent	Truck
1981	10.0	2.9	87.1
1982	7.7	4.3	88.0
1983 F . . .	7.0	5.0	88.0

F = Forecast.

other shippers. In many cases, shipper agents own the trailer used, and they appear to have been relatively successful in arranging for return hauls. Some agents provide drayage services at both ends of the haul, and some offer credit to shippers. The National Association of Shipper Agents estimates that as many as 600 firms are now in operation, up from 200 in 1981. Overall, these operations appear to have complemented the inherent efficiencies of TOFC service.

Other factors promise to increase TOFC traffic for both fresh produce and processed foods. CONRAIL, which serves the east coast population centers, sharply boosted its TOFC volume of perishables in 1982 (28,000 shipments versus 19,431 in 1981). Also, the recent merger of the Union Pacific, Missouri Pacific, and Western Pacific Railroads has consolidated service to Western shippers using either TOFC or conventional equipment. As a result, train time between Sacramento, California, and North Platte, Nebraska, has been reduced by 18 hours. At North Platte, connections can then be

made to Chicago, Kansas City, and the Gulf Coast.

Trucks Still Carry Most Produce
Despite the gains made by TOFC, trucks still form the backbone of fresh fruit and vegetable transportation. According to USDA's Office of Transportation, regulated motor carriers (common and contract carriers) haul nearly 70 percent of all produce shipped by truck. Exempt carriers have seen their market share decline since 1978, and last year they accounted for about 23 percent of the total. The generally depressed state of the trucking industry suggests that trucks will be readily available for summer fruit and vegetable harvests, and that rates will continue relatively low.

Equipment should be in ample supply in 1983. Manufacturers delivered 15,081 new refrigerated trailers in 1982, 14 percent more than in 1981. Although some of these new trailers replaced trailers removed from service, the total supply of refrigerated equipment appears to have increased. Also, new legislation has been passed intending to now permit truck weights of 80,000 lbs, widths of 102 inches, single trailers 48 feet long, and 28-foot twin trailers on all Interstates and much of the Federal Aid Primary Highway system. Depending on the vehicle, these changes may boost trailer cubic capacity 17 to 27 percent. Motor carriers are expected to begin purchasing the larger, more efficient equipment, though the older equipment will remain available at least through 1983.

Common Carriers' Share of Truck Shipments Rising Steadily

	1978	1979	1980	1981	1982 p
	Percent ¹				
Common carriers	47	51	53	58	65
Contract carriers	11	11	6	5	4
Private carriers	3	8	11	11	8
Exempt carriers	35	29	28	24	23
Agricultural coops	4	2	2	2	1

¹ Of all produce shipments by truck. p = preliminary.

Source: Office of Transportation, USDA

Truck Rates Roughly the Same as Last Year

Rates to New York City from:

	California (Citrus and vegetables)	Florida (Citrus)
	\$ per truckload	
1982		
January	2,600	1,384
February	2,704	1,336
March	2,778	1,370
April	2,579	1,512
May	2,857	1,573
June	3,552	1,586
July	3,838	—
August	3,162	—
September	2,905	—
October	2,726	1,179
November	2,038	1,206
December	2,497	1,322
1983		
January	2,556	1,300
February	2,694	1,388
March	n.a.	n.a.

Source: Market News Service, USDA

Truck Rates To Remain Level

Passage of the Surface Transportation Assistance Act of 1982 is expected to exert only slight upward pressure on truck rates in 1983. The 5-cent-per-gallon fuel tax that took effect April 1 added only about one cent per mile to truck operating costs. Repeal or amendment of the taxes on tread rubber, inner tubes, truck parts, and lubricants will partly offset the fuel tax's impact on costs into mid-1984. Truck costs will again increase when user fees for heavy vehicles go up on July 1, 1984. However, for owners of five trucks or less, these tax increases are not scheduled to take effect until July 1, 1985. Since more than 40 percent of the fresh produce shipped by truck in 1982 was carried by owner-operators, the full impact of user fees on trucks hauling produce will not be felt until mid-1985.

Additional upward cost pressures may come about through increases in State fuel taxes. Seventeen States have now increased or are actively considering increasing their fuel taxes by 2 to 5 cents per gallon. In a few States, the new tax is computed as a percentage of the base fuel price—thus intensifying

the impact of changes in basic fuel costs. In some States, tax increases now in effect or under consideration will have a greater impact on operating costs than the new Federal fuel tax.

During the first quarter of 1983, truck rates for citrus and vegetables were roughly the same as a year earlier. The owner-operators' strike in February lifted rates only slightly from January's level. Seasonal increases can be expected during the peak harvest months, with some truck shortages in local growing areas temporarily pushing rates up.

Truck Operating Costs Edged Down Through March

	Fleet-owned	Owner-operators
	Cents per vehicle mile ¹	
Jan. 1982 . . .	111.3	115.9
Dec. 1982 . . .	112.7	117.1
Jan. 1983 . . .	110.2	114.6
Feb. 1983 . . .	109.3	113.8
Mar. 1983 . . .	108.0	112.6
Apr. 1983 . . .	109.5	114.2

¹ For trucks carrying fresh produce.

Source: Office of Transportation, USDA

PIK To Boost Demand for Transportation

The large signup in the PIK program will place additional demands on the transportation system to move grain from existing stocks to deficit grain areas. Assuming that livestock and poultry feeding levels and patterns remain unchanged, shipments of corn and grain sorghum could require 10,000 covered-hopper cars over a 6-month period. Nevertheless, with industry sources reporting that as many as 20,000 jumbo covered-hopper cars were idle during most of the 1982, the additional PIK-related demand will not likely stress the national transportation system.

Rail Rates To Also Stay Flat

The Association of American Railroads' Cost Recovery Index, which forms the basis for general rail rate increases, forecasts a 3.1-percent decline in rail costs for the third quarter of 1983. Rail rates, however, are not expected to decline. Under the terms of the Staggers Rail Act, the ICC permits railroads to automatically raise their rates when the Cost Recovery Index warrants; however, the Staggers Act does not provide for automatic decreases. Rail rates for all farm products averaged 1 percent above 1982 levels during the first quarter of 1983, while rates for grain rose less than 0.3 percent. In coming months, rail transportation charges are likely to remain nearly level.

Ocean Freight Rates May Average Lower in 1983

The world's merchant-fleet capacity continues to increase, as vessels ordered in 1980 are being added to this year's inventory. Dry-bulk carriers suitable for grain shipments are expected to increase tonnage about 6 percent from 1982. The General Council of British Shipping has reported that 13 percent of the world's capacity was laid-up or out of service in January 1983, up 1 percent from yearend 1982.

During the first quarter of 1983, ocean freight rates for heavy grain rose about 6 percent from the previous quarter, while remaining below 1982 levels. Typically, rates in this market are subject to violent swings of 30 to 40 percent in the course of a year. As older vessels are retired in 1983, grain rates may rise again in the second half; on an annual basis, however, ocean transport charges are likely to average slightly below 1982. [T.Q. Hutchinson (202) 447-8707]



PIK Programs of the 1960's

Falling grain prices, weakening exports, and expanding stocks—together with continued gains in output—describe the situation facing the farm economy going into 1963. This scenario also closely describes the dilemma facing farmers and policymakers in the early 1960's. And the response to the problem then was much the same as that being tried today—paying farmers in kind to reduce the acreage of selected crops.

1961 Emergency Feed Grain Program

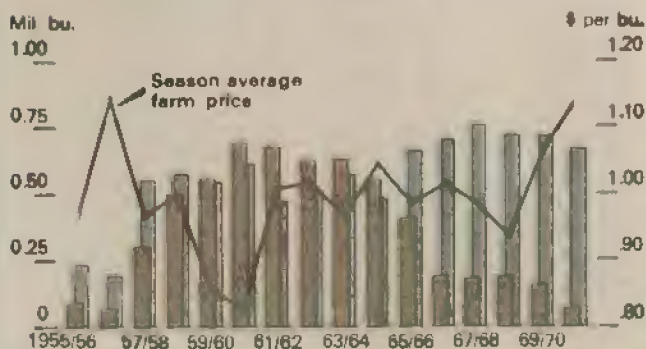
Between 1950 and 1960, corn production increased 41 percent, while grain sorghum output more than doubled. And average market prices declined substantially. As a result, by 1960 the CCC was holding 2.7 billion bushels of feed grains and was expected to acquire an additional 0.61 billion from that year's crop if existing programs continued.

During the 1960 presidential campaign, the idea of paying farmers in kind to reduce government surpluses was widely discussed. (Such an idea had been tried briefly in the 1930's with cotton.) In February 1961, Secretary of Agriculture Orville Freeman submitted a bill for an emergency, 1-year PIK program covering feed grains. The resulting act required farmers to take 20 percent of their corn and grain sorghum base out of production in order to qualify for price supports. For this they received payment in cash or in kind at a rate equal to the county support level times 50 percent of their normal yield. Farmers also had the option of diverting up to 20 percent more of their base for a payment in kind at the equivalent of 60 percent of their normal yield. To encourage signups, price supports were raised—from \$1.06 to \$1.20 a bushel in the case of corn.

1960's PIK Program Helped Cut Stocks, Support Prices for Corn . . .



. . . and Sorghum



¹As of June 30, end of fiscal year.

In response to the program, 25.2 million acres of corn and grain sorghum were taken out of production. This equaled 59 percent of the base acreage for those crops. As it turned out, though, the program involved relatively few actual payments in kind since the PIK certificates that farmers received could be converted to a cash payment from the CCC. Most farmers chose this option, whereupon the CCC sold the grain at market prices.

The 1961 program met its objectives well. Corn production was reduced almost 8 percent that year; the CCC's corn inventory was almost halved during that crop year; and the government saved on costly storage. Grain sorghum production fell 22.5 percent, and inventories declined slightly. Season-average corn prices rose from \$1 a bushel in 1960 to \$1.10 in 1961; grain sorghum prices climbed from 84 cents to \$1.01.

PIK Program Continues, 1962-70

The PIK principle worked well enough so that Congress renewed the program for corn and grain sorghum in 1962 and kept it in effect until 1970. In most years, total diversion was increased to 50 percent, and all diversion payments were in kind.

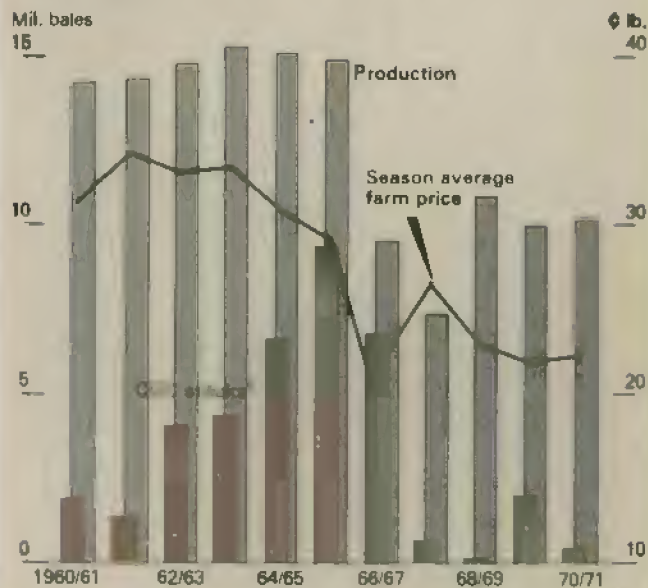
By 1963, all feed grains were covered under the program, and price-support payments were being partly made in kind. The total acreage diverted reached a maximum of 34.8 million acres in 1965. Feed grain prices generally went up until about 1966, and net farm income rose from \$12.1 billion in 1960 to \$16.3 billion in 1966.

CCC inventories (except for oats) showed a steady downward trend, from 1.26 billion bushels of corn in 1961, for example, to 136 million in 1968. From 1963 to 1967, PIK accounted for well over half of the CCC's corn disposals. Smaller percentages of the other feed grains were paid in kind.

A brief PIK program for upland cotton was also undertaken in the mid-1960's. Starting as a partial price-support payment in 1964, the PIK idea was tied to a diversion program in 1965. Between 1966 and 1968, CCC stocks of upland cotton fell from 9.3 million to 560,000 bales. The diverted acreage grew from 1 million in 1965 to 4.9 million in 1967. The program was discontinued after 1968.

A PIK export program, which was introduced in 1956, was continued through 1967. Subsidies to exporters were made in the form of certificates redeemable in a variety of CCC-owned commodities (including wheat, feed grains, rice, cotton, and nonfat dry milk), all of which had to be exported. Substantial payments were made under the wheat and rice plans. However, when price-support rates were lowered to near world prices for feed grains in 1963 and cotton in 1965,

Cotton Program Lowered Stocks. Production 'In Mid-1960's



¹As of June 30, end of fiscal year.



USDA Evaluates PIK's Impacts

The payment-in-kind (PIK) program—aimed at solving the nagging effects of large surpluses and low farm prices—drew an overwhelming response from farmers across the country. How will it affect . . .

- upcoming crops?
- farm income?
- the inputs industry?
- farm exports?
- employment?
- Government outlays?

Find out in a special report by USDA's Economic Research Service. It's called *"An Initial Assessment of the Payment-In-Kind Program."* It's yours free, while supplies last.

Write to: PIK
EMS/USDA
Rm. 440 GH
Washington, D.C. 20250

Statistical Indicators

Summary Data

Key statistical indicators of the food and fiber sector

	1982				1983				
	II	III	IV	Annual	I	II F	III F	IV F	Annual F
Prices received by farmers (1977=100)									
Livestock and products	137	135	128	133	131	135	135	135	134
Crops	149	147	140	144	145	145	146	145	145
Prices paid by farmers (1977=100)	124	122	115	121	118	125	124	124	123
prod. items	150	150	148	149	151	154	155	155	153
Commodities and services, int., taxes, and wages	155	157	156	156	158	160	161	161	160
Cash receipts¹ (\$ bil.)[*]									
Livestock (\$ bil.)	144	143	144	144	140	140-144	136-140	123-127	134-138
Crops (\$ bil.)	70	70	69	69	70	68-72	69-73	67-71	68-72
	74	73	75	75	70	70-74	65-69	54-58	64-68
Market basket (1967=100)									
Retail cost	267.3	269.1	265.6	266.4	267	272	274	275	268-275
Farm value	257.9	254.7	239.0	248.8	242	241	247	247	242-247
Spread	272.9	277.5	281.2	276.8	283	290	290	292	288-293
Farm value/retail cost (%)	36	35	33	35	33	33	33	33	32-35
Retail prices (1967=100)									
Food	285.7	287.8	286.6	285.7	289	293	296	298	291-297
At home	280.1	281.4	278.5	279.2	281	285	287	289	281-287
Away-from home	304.8	308.7	311.6	306.5	315	317	323	325	322-325
Agricultural exports (\$ bil.)²	10.0	7.3	8.8	39.1	9.6	9.4	8.7	10.5	36.5
Agricultural imports (\$ bil.)²	3.9	3.8	3.9	15.4	3.9	3.9	3.8	3.9	15.5
Livestock and Products									
Total livestock and products (1974=100)	112.2	112.5	112.9	111.7	110.2	115.8	115.3	113.5	112.6
Beef (mil. lb.)	5,363	5,730	5,818	22,366	5,525	5,650	5,800	5,625	22,600
Pork (mil. lb.)	3,550	3,240	3,638	14,121	3,483	3,575	3,525	3,800	14,383
Veal (mil. lb.)	99	107	110	423	103	90	90	105	388
Lamb and mutton (mil. lb.)	85	88	93	356	93	80	75	80	328
Red meats (mil. lb.)	9,097	9,165	9,659	37,266	9,204	9,395	9,490	9,610	37,699
Broilers (mil. lb.)	3,109	3,130	2,911	12,038	3,038	3,200	3,200	2,940	12,366
Turkeys (mil. lb.)	528	761	759	2,458	453	570	800	760	2,585
Total meats and poultry (mil. lb.)	12,734	13,056	13,329	51,762	12,684	13,165	13,490	13,310	52,649
Eggs (mil. dz.)	1,441	1,437	1,479	5,798	1,432	1,425	1,420	1,465	5,740
Milk (bil. lb.)	35.7	34.0	32.9	135.8	34.0	37.1	34.8	33.0	138.9
Choice steers, Omaha (\$/cwt.)	70.46	64.19	58.87	64.22	61.52	65-68	64-68	63-67	63-66
Barrows and gilts, 7 markets (\$/cwt.)	56.46	61.99	55.12	55.44	55	49-52	52-56	47-51	51-54
Broilers-wholesale, 9-city weighted avg. dressed (cts./lb.)	45.1	44.4	41.5	44.0	43.4	41-44	42-46	40-44	42-45
Turkeys-wholesale, N.Y., 8-16 lb. hens, dressed (cts./lb.)	58.8	65.4	63.7	60.8	54.9	53-56	60-64	64-68	58-61
Eggs, N.Y. Gr. A large, (cts./dz.)	66.7	65.8	68.4	70.1	65.8	66.70	65-69	69-73	66-70
Milk, all at farm (\$/cwt.)	13.23	13.30	13.90	13.55	13.77	13.25-13.45	13.25-13.55	13.80-14.20	13.50-13.75
Crop Prices at the farm³									
Wheat (\$/bu.)	3.57	3.33	3.47	3.53	3.60	—	—	—	3.50-3.90
Corn (\$/bu.)	2.57	2.32	2.12	2.65	2.54	—	—	—	2.70-3.10
Soybeans (\$/bu.)	6.19	5.60	5.29	5.57	5.68	—	—	—	5.50-7.50
Upland cotton (cts./lb.)	54.2	56.1	59.0	—	57.4	—	—	—	—

¹ Quarterly cash receipts are seasonally adjusted at annual rates. ² Annual data are based on Oct.-Sept. fiscal years ending with the indicated year.

³ Quarterly prices are simple averages; annual prices are for marketing year beginning in year indicated. F = Forecast. Numbers may not add to totals due to rounding. ^{*} Seasonally adjusted at annual rates.

Farm Income

Farm income statistics

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982 F	1983 F
	\$ Bil.										
Receipts											
Cash receipts:											
Crops ¹	41.1	51.1	45.8	49.0	48.6	53.7	63.1	71.7	75.0	74.7	64 to 68
Livestock	45.8	41.3	43.1	46.3	47.6	58.8	68.6	67.8	68.5	69.3	68 to 72
Total	86.9	92.4	88.9	95.4	96.2	112.5	131.7	139.5	143.5	144.0	134 to 138
Other cash income ²	3.4	1.4	1.8	1.8	3.0	4.3	2.9	2.8	3.9	5.6	9 to 13
Total cash income	90.3	93.8	90.7	97.1	99.2	116.8	134.6	142.4	147.3	149.6	145 to 149
Nonmoney income ³	5.1	5.9	6.9	7.2	8.5	9.4	11.1	12.5	13.9	15.0	15 to 17
Realized gross income . . .	95.4	99.7	97.6	104.3	107.7	126.2	145.7	154.9	161.2	164.6	161 to 165
Value of inventory chg. . .	3.4	-1.6	3.4	-2.4	1.0	1.1	5.6	-4.3	5.5	0.2	-1 to -4
Total gross income	98.8	98.0	101.0	102.0	108.6	127.2	151.3	150.6	166.8	164.8	159 to 163
Expenses											
Cash expenses ⁴	55.9	60.6	62.2	68.4	73.1	81.7	97.6	106.6	115.8	117.4	112 to 116
Total expenses	65.4	72.0	75.8	83.3	90.2	100.6	119.0	130.5	141.6	144.4	139 to 143
Income											
Net cash income	34.5	33.1	28.5	28.7	26.1	35.1	37.0	35.8	31.5	32.2	32 to 36
Realized net income ⁵ . . .	30.0	27.6	21.8	21.0	17.5	25.6	26.7	24.4	19.6	20.2	20 to 24
Total net farm income . .	33.4	26.0	25.2	18.7	18.4	26.7	32.3	20.1	25.1	20.4	18 to 22
Deflated total net farm ⁶ . .	31.6	22.6	20.1	14.1	13.2	17.7	19.8	11.3	12.8	9.8	8 to 10
Off-farm income ⁷	24.7	28.1	23.9	26.4	25.6	28.7	33.8	36.6	39.3	41.0	41 to 45

F = Forecast. ¹Includes net CCC loans. ²Income from machine hire and custom work, farm recreational income, and direct government payments. ³Imputed gross rental value of farm dwellings and value of home consumption. ⁴Excludes depreciation of farm capital, perquisites to hired labor, and expenses associated with farm dwellings. ⁵Excludes value of inventory change. ⁶Deflated by the GNP implicit price deflator, 1972=100. ⁷Reflects changes in farm definition in 1975 and 1977.

Cash receipts from farming

	1982											1983	
	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Farm marketings and CCC loans¹	9,917	9,961	10,780	9,699	9,923	10,517	10,973	12,344	14,415	16,636	14,207	13,926	10,299
Livestock and products	5,167	5,773	6,680	5,939	5,830	5,628	5,904	6,169	5,666	6,189	5,188	5,637	5,860
Meat animals	3,056	3,382	4,150	3,507	3,390	3,259	3,590	3,767	3,208	3,747	2,884	3,380	3,809
Dairy products	1,357	1,554	1,627	1,673	1,592	1,498	1,455	1,427	1,497	1,469	1,552	1,437	1,357
Poultry and eggs	695	764	820	681	767	681	780	805	736	883	678	720	626
Other	59	73	83	78	81	190	79	170	225	90	74	100	68
Crops	4,750	4,188	4,100	3,760	4,093	4,889	5,069	6,175	8,749	10,447	9,019	8,289	4,439
Food grains	576	586	471	475	1,157	1,611	1,364	1,374	1,155	1,153	773	1,012	581
Feed crops	1,354	1,210	1,006	838	968	908	903	1,190	1,635	2,456	2,899	3,120	1,526
Cotton (lint and seed)	539	177	52	49	21	-15	-19	48	639	1,121	1,169	749	309
Tobacco	67	10	33	5	0	168	711	580	333	464	560	435	111
Oil-bearing crops	815	785	994	748	397	518	379	734	2,698	2,744	1,571	1,567	678
Vegetables and melons	473	491	575	740	711	688	757	880	865	557	471	460	431
Fruits and tree nuts	436	329	262	349	463	569	559	752	765	693	635	429	313
Other	490	600	707	556	376	442	415	617	659	1,259	941	517	490
Government payments	507	74	317	23	30	21	34	56	67	974	444	366	383
Total cash receipts²	10,424	10,035	11,097	9,722	9,953	10,538	11,007	12,400	14,482	17,610	14,651	14,292	10,682

¹Receipts from loans represent value of loans minus value of redemptions during the month. ²Cash receipts estimates reported in this issue for 1982 contain revisions due to a more complete accounting for CCC loans repaid, which has the effect of reducing sales.

Cash receipts¹ from farm marketings, by States, January-February

State	Livestock and Products		Crops ²		Total ²	
	1982	1983	1982	1983	1982	1983
	\$Mil.					
North Atlantic						
Maine	39.0	36.8	31.1	21.1	70.2	57.8
New Hampshire	10.4	11.3	4.3	4.3	14.7	15.7
Vermont	59.4	63.4	2.6	4.4	62.0	67.9
Massachusetts	21.8	21.3	25.5	14.7	47.3	35.9
Rhode Island	2.3	2.2	2.4	2.4	4.7	4.6
Connecticut	31.3	30.5	40.1	15.9	71.4	46.4
New York	300.5	305.2	108.1	84.5	408.6	389.6
New Jersey	15.8	20.3	27.9	29.3	43.8	49.6
Pennsylvania	319.1	354.5	146.2	146.0	465.4	500.5
North Central						
Ohio	214.8	253.0	320.6	390.7	535.4	643.6
Indiana	254.5	283.2	454.2	639.8	708.7	923.0
Illinois	387.2	438.7	1,343.4	1,292.8	1,730.6	1,731.5
Michigan	177.1	189.5	226.9	210.9	404.0	400.4
Wisconsin	599.1	623.9	192.1	203.1	791.2	827.0
Minnesota	535.1	592.9	558.0	595.4	1,093.1	1,188.1
Iowa	854.4	1,151.5	1,183.8	1,108.2	2,038.2	2,259.7
Missouri	357.6	367.6	333.8	182.9	691.3	550.5
North Dakota	98.5	141.0	300.1	387.9	398.7	528.9
South Dakota	304.4	327.7	141.9	150.6	446.2	478.3
Nebraska	719.5	745.2	784.8	814.3	1,504.3	1,559.5
Kansas	519.9	650.9	432.5	484.6	952.3	1,115.5
Southern						
Delaware	47.6	42.3	9.7	9.8	57.2	52.1
Maryland	104.2	107.4	30.0	29.3	134.2	136.7
Virginia	122.7	141.1	73.8	69.8	196.4	210.9
West Virginia	23.4	25.3	9.8	10.4	33.2	35.7
North Carolina	237.4	253.8	157.0	186.2	394.4	440.0
South Carolina	71.3	64.3	65.4	101.6	136.7	165.8
Georgia	269.4	284.0	112.2	120.6	381.6	404.5
Florida	148.2	147.7	911.8	844.1	1,060.0	991.8
Kentucky	183.5	168.7	448.3	508.2	631.8	677.0
Tennessee	117.8	158.2	151.4	208.1	269.3	386.2
Alabama	179.2	177.1	95.5	92.3	274.7	269.4
Mississippi	136.3	122.8	227.9	269.0	364.2	391.8
Arkansas	217.2	212.0	295.9	196.8	513.1	408.8
Louisiana	66.7	73.7	256.1	242.1	322.8	315.9
Oklahoma	220.6	407.2	133.1	167.2	353.7	574.3
Texas	822.2	760.2	1,103.6	773.8	1,925.7	1,534.0
Western						
Montana	85.0	117.7	130.4	231.3	215.4	349.0
Idaho	129.8	130.5	179.4	156.3	309.2	286.8
Wyoming	49.5	51.1	15.7	15.8	65.3	66.9
Colorado	311.7	364.7	226.4	149.2	538.1	513.9
New Mexico	72.3	94.3	36.7	34.4	109.0	128.7
Arizona	103.4	123.2	272.9	178.9	376.3	302.1
Utah	40.1	46.6	25.3	20.8	65.4	67.4
Nevada	16.5	23.8	16.2	12.8	32.7	36.6
Washington	111.8	138.4	292.0	291.1	403.9	429.4
Oregon	66.6	86.6	148.6	128.3	215.1	214.9
California	670.2	551.7	1,205.3	851.3	1,875.5	1,403.0
Alaska6	.8	.7	.9	1.4	1.8
Hawaii	14.6	12.0	64.6	64.6	79.2	76.6
United States	10,461.2	11,497.4	13,356.1	12,728.8	23,817.3	24,226.2

¹Estimates as of the first of current month. ²Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm marketing indexes (physical volume)

	Annual			1982					1983	
	1980	1981	1982 p	Feb	Sept	Oct	Nov	Dec	Jan	Feb
	1977=100									
All commodities	110	112	118	121	115	107	125	126	146	121
Livestock and products	101	102	103	104	106	89	106	95	107	113
Crop	119	121	132	140	124	119	138	153	178	129

p = preliminary. Volume of marketing indexes reported in this issue for 1982 contains revisions due to a more complete accounting for CCC loans repaid, which has the effect of reducing sales.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1982			1983			
	1980	1981	1982 p	Apr	Nov	Dec	Jan	Feb	Mar	Apr p
	1977=100									
Prices Received										
All farm products	134	139	133	135	128	127	128	132	134	137
All crops	125	134	121	123	117	114	114	118	121	127
Food grains	165	166	146	152	143	145	147	147	150	154
Feed grains and hay	132	141	120	128	109	115	119	127	131	144
Feed grains	135	145	120	128	108	114	118	126	133	146
Cotton	114	111	91	90	99	95	93	93	99	97
Tobacco	125	140	154	151	159	159	157	157	156	156
Oil-bearing crops	102	110	88	93	83	84	86	87	89	92
Fruit	124	131	177	148	181	148	135	129	120	124
Fresh market ¹	128	133	188	153	194	153	138	131	119	124
Commercial vegetables	113	136	127	129	124	116	106	125	142	146
Fresh market	110	135	121	123	118	110	96	120	141	149
Potatoes ²	129	177	125	140	93	90	88	89	94	113
Livestock and products	144	143	144	147	140	139	142	146	146	146
Meat animals	156	150	155	159	146	147	152	158	159	160
Dairy products	135	142	140	138	144	143	142	142	140	139
Poultry and eggs	112	116	110	112	107	102	101	107	106	104
Prices paid										
Commodities and services	138	150	156	155	156	156	157	158	159	159
Interest, taxes, and wage rates	138	148	149	149	149	148	150	151	152	153
Production items	123	134	122	125	116	119	120	124	125	131
Feed	177	164	164	168	161	158	165	170	175	172
Feeder livestock	118	138	141	140	141	141	141	141	141	141
Seed	134	144	144	147	141	139	139	139	138	138
Fertilizer	102	111	119	119	121	121	121	121	123	123
Agricultural chemicals	188	213	211	200	213	209	208	202	194	201
Fuels & energy	134	147	153	152	154	154	154	154	154	154
Farm & motor supplies	123	143	159	156	165	167	167	166	166	166
Autos & trucks	136	152	165	161	168	168	168	168	172	172
Tractors & self-propelled machinery	132	146	160	156	165	165	165	165	168	168
Other machinery	128	134	135	134	136	136	136	138	138	139
Building & fencing	127	137	143	143	143	143	148	148	148	148
Farm services & cash rent	168	195	233	233	233	233	236	236	236	236
Interest payable per acre on farm real estate debt	117	124	131	131	131	131	140	140	140	140
Taxes payable per acre on farm real estate	127	136	141	141	141	141	145	145	145	145
Wage rates (seasonally adjusted)	139	150	154	154	154	153	156	157	157	158
Production items, interest, taxes, and wage rates										
Prices received (1910-14=100)	614	633	609	618	589	681	585	604	611	624
Prices paid, etc. (Parity Index) (1910-14=100)	950	1,031	1,071	1,065	1,075	1,073	1,083	1,088	1,091	1,097
Parity ratio ³	65	61	57	58	55	54	54	56	56	57

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweet potatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, taxes, and wage rates. (1910-14=100). p = preliminary.

Prices received by farmers, U.S. average

	Annual*			1982			1983			
	1980	1981	1982 p	Apr	Nov	Dec	Jan	Feb	Mar	Apr p
Crops										
All wheat (\$/bu.)	3.88	3.88	3.52	3.68	3.48	3.51	3.57	3.57	3.66	3.78
Rice, rough (\$/cwt.)	11.07	11.94	8.33	8.54	7.78	8.06	8.05	8.26	7.99	7.80
Corn (\$/bu.)	2.70	2.92	2.37	2.55	2.13	2.26	2.36	2.56	2.71	3.00
Sorghum (\$/cwt.)	4.67	4.72	4.00	4.10	3.78	3.97	4.09	4.42	4.67	4.98
All hay, baled (\$/ton)	67.00	67.70	69.10	73.30	68.10	68.80	70.10	74.60	70.50	75.30
Soybeans (\$/bu.)	6.75	6.92	5.78	8.17	5.34	5.46	5.56	5.66	5.82	6.04
Cotton, Upland (cts./lb.)	69.0	67.1	55.3	54.3	59.9	57.3	56.0	56.4	59.9	58.8
Potatoes (\$/cwt.)	4.78	6.95	5.10	5.59	3.82	3.67	3.61	3.68	3.88	4.82
Dry edible beans (\$/cwt.)	24.80	28.60	16.80	18.00	14.20	13.10	12.00	11.90	12.30	12.90
Apples for fresh use (cts./lb.)	16.2	13.5	15.9	14.5	14.4	13.7	11.8	12.3	12.8	11.3
Pears for fresh use (\$/ton)	325	264	235	293	298	330	298	315	333	326
Oranges, all uses (\$/box) ¹	3.26	3.78	7.44	5.11	7.43	4.68	4.71	4.31	3.47	4.32
Grapefruit, all uses (\$/box) ¹	2.73	3.68	2.20	2.09	1.89	1.88	1.64	1.28	1.49	1.86
Livestock										
Beef cattle (\$/cwt.)	62.50	58.50	56.90	60.10	52.60	52.50	54.30	57.10	59.70	61.90
Calves (\$/cwt.)	77.50	64.50	60.30	62.10	58.20	58.80	62.40	66.50	68.40	67.20
Hogs (\$/cwt.)	38.80	43.40	54.10	51.20	52.50	53.80	55.30	56.10	50.40	47.40
Lambs (\$/cwt.)	63.50	55.40	54.50	61.50	47.70	60.90	55.50	60.30	63.20	60.50
All milk, sold to plants (\$/cwt.)	13.10	13.80	13.60	13.40	14.00	13.90	13.80	13.80	13.60	13.50
Milk, manuf. grade (\$/cwt.)	12.00	12.75	13.55	12.60	13.00	13.00	12.90	12.80	12.70	12.60
Broilers (cts./lb.)	27.7	26.0	26.6	26.5	24.5	24.3	25.8	27.7	25.4	24.7
Eggs (cts./doz.) ²	56.7	62.2	58.4	62.9	57.0	55.4	52.6	54.7	58.2	57.1
Turkeys (cts./lb.)	40.0	38.5	37.2	34.2	42.8	33.3	31.9	32.8	33.0	32.1
Wool (cts./lb.) ³	88.1	91.1	74.1	83.6	61.6	57.1	53.2	57.7	58.4	67.4

¹ Equivalent on-tree returns. ² Average of all eggs sold by farmers including hatching eggs and eggs sold at retail. ³ Average local market price, excluding incentive payments. *Calendar year averages. p = preliminary.

Producer and Consumer Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual	1982						1983		
	1982	Mar	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
1967=100										
Consumer price index, all items	289.1	283.1	292.8	293.3	294.1	293.6	292.4	293.1	293.2	293.4
Consumer price index, less food	288.4	281.7	292.5	292.9	294.0	293.6	292.1	292.6	292.6	292.4
All food	285.7	283.0	287.4	287.6	287.0	286.4	286.5	288.1	289.0	290.5
Food away from home	306.5	302.4	308.7	309.8	310.7	311.4	312.6	314.5	315.2	316.5
Food at home	279.2	277.1	280.8	280.6	279.4	278.3	277.8	279.3	280.3	281.9
Meats ¹	270.3	261.2	276.5	278.4	274.9	273.6	271.1	272.2	273.2	272.8
Beef and veal	276.5	271.7	280.5	279.1	272.2	272.0	270.2	271.3	272.2	272.8
Pork	258.1	239.5	268.2	277.1	277.9	274.2	270.1	272.0	273.6	271.1
Poultry	195.1	194.7	196.2	196.2	195.4	192.0	190.4	191.3	194.0	193.7
Fish	370.6	376.3	367.6	369.4	387.1	366.6	369.6	376.7	379.2	380.1
Eggs	178.7	195.2	161.2	175.2	175.8	175.0	172.5	172.9	169.3	175.0
Dairy products ²	247.0	246.5	247.5	247.0	247.1	247.4	247.8	249.5	249.7	249.6
Fats and oils ³	259.6	259.6	258.3	258.4	258.4	258.6	258.6	259.3	258.0	258.4
Fruits and vegetables	291.4	293.1	291.4	284.1	280.7	276.1	277.6	278.2	278.1	286.9
Fresh	298.6	302.1	296.9	283.5	277.4	268.3	272.3	269.2	272.0	288.6
Processed	286.0	285.8	288.0	287.4	286.8	287.3	286.0	286.8	287.4	287.6
Cereals and bakery products	283.4	281.3	284.8	284.6	285.0	285.5	286.3	287.8	288.7	289.8
Sugar and sweets	367.5	365.5	370.1	371.2	370.6	370.3	369.2	371.5	370.7	372.8
Beverages, nonalcoholic	424.2	424.8	423.8	424.2	427.5	426.2	424.3	431.1	432.2	432.7
Apparel commodities less footwear	177.0	176.8	176.9	180.4	180.9	180.6	178.4	175.0	176.0	178.9
Footwear	205.5	204.9	204.4	206.2	206.8	206.9	205.9	204.8	205.6	206.6
Tobacco products	243.5	234.1	240.1	246.8	257.3	264.0	272.3	280.3	282.8	283.3
Beverages, alcoholic	208.5	206.6	210.1	210.1	210.6	210.9	210.9	211.6	213.3	215.1

¹ Beef, veal, lamb, pork, and Processed meat. ² Includes butter. ³ Excludes butter.

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1982				1983		
	1980	1981	1982 p	Mar	Oct	Nov	Dec	Jan	Feb	Mar
	1967=100									
Finished goods¹	247.0	269.8	280.6	277.3	284.1	284.9	285.1	283.6	283.7	283.4
Consumer foods	239.5	253.6	259.3	257.1	257.7	257.4	258.2	258.3	259.9	260.8
Fresh fruit	237.6	228.9	236.4	231.6	224.5	233.4	234.2	222.1	227.1	214.9
Fresh and dried vegetables	219.0	278.0	246.5	257.7	199.7	210.7	238.2	210.3	206.6	229.8
Eggs	171.0	187.1	178.7	204.0	177.9	172.5	170.0	170.0	170.0	170.0
Bakery products	247.8	268.2	275.5	273.9	276.1	279.0	280.1	281.0	282.6	282.4
Meats	235.9	239.0	250.6	241.8	247.6	241.7	239.4	242.6	244.7	247.5
Beef and veal	260.2	246.8	245.1	250.1	228.2	226.7	224.5	230.1	235.5	244.5
Pork	196.7	218.1	251.0	222.6	265.2	251.5	252.6	254.1	248.0	244.5
Poultry	193.3	193.3	178.6	178.6	177.0	176.6	171.5	172.5	178.8	172.6
Fish	370.9	377.8	422.6	416.1	444.5	436.9	446.4	442.2	477.9	488.5
Dairy products	230.6	245.6	248.9	248.0	250.0	250.2	250.8	250.7	251.0	250.7
Processed fruits and vegetables	228.7	261.2	274.3	275.9	273.7	273.1	273.0	274.6	273.9	272.9
Vegetable oil and products	233.2	238.0	234.8	233.2	232.0	231.5	229.1	228.6	227.4	225.2
Consumer finished goods less foods	250.8	276.5	287.8	284.0	293.3	294.6	294.3	291.1	290.3	289.1
Beverages, alcoholic	175.8	189.5	197.8	195.7	199.2	200.0	199.6	201.4	202.5	203.0
Soft drinks	261.0	305.1	319.0	318.9	321.6	321.9	320.7	324.9	325.6	325.0
Apparel	172.4	186.0	193.8	193.4	193.5	193.8	191.7	192.9	193.3	194.6
Footwear	233.1	240.9	245.0	239.8	249.2	249.1	248.2	247.5	246.9	248.0
Tobacco products	245.7	268.3	323.2	306.6	366.0	365.1	383.5	350.9	338.1	335.1
Intermediate materials²	280.3	306.0	310.4	310.6	309.9	309.9	310.2	309.9	310.5	309.2
Materials for food manufacturing	264.4	260.4	255.2	252.0	254.2	251.0	250.1	250.9	253.0	252.5
Flour	187.6	191.9	183.4	188.0	178.6	179.8	180.8	181.3	183.9	184.6
Refined sugar ³	213.1	171.8	161.3	152.9	167.4	167.1	167.2	166.2	169.4	168.5
Crude vegetable oils	202.8	185.4	160.1	158.1	162.1	150.6	144.9	141.6	147.1	149.3
Crude materials⁴	304.6	329.0	319.5	320.0	312.0	313.2	312.6	313.7	321.0	322.1
Foodstuffs and feedstuffs	259.2	257.4	247.8	247.9	236.3	236.3	237.0	239.6	249.3	249.1
Fruits and vegetables ⁵	238.6	267.3	253.4	257.3	222.3	232.5	248.1	227.0	227.2	234.3
Grains	239.0	248.4	210.9	220.9	183.2	198.6	202.3	206.3	222.4	227.4
Livestock	252.7	248.0	257.8	255.6	248.5	239.1	237.2	242.3	251.1	251.4
Poultry, live	202.1	201.2	191.9	197.7	177.1	181.6	177.8	177.1	200.1	177.8
Fibers, plant and animal	271.1	242.0	202.9	199.5	198.1	195.3	200.6	201.7	206.4	217.0
Milk	271.2	287.4	282.5	282.5	285.0	285.9	285.5	284.5	284.5	282.9
Oilseeds	249.2	277.6	214.5	214.1	193.3	206.8	206.5	208.1	213.0	210.2
Coffee, green	430.3	330.1	311.5	309.9	304.8	297.9	299.7	299.7	299.7	299.7
Tobacco, leaf	222.2	246.9	269.9	267.2	277.5	279.8	n.a.	276.6	276.6	274.2
Sugar, raw cane	413.0	272.7	278.5	232.3	292.2	296.7	297.8	300.1	313.7	312.5
All commodities	268.8	293.4	299.3	298.0	299.8	300.3	300.6	300.0	301.2	300.5
Industrial commodities	274.8	304.1	312.3	311.0	314.3	315.0	315.0	314.0	314.4	313.4
All foods⁶	244.5	251.8	254.5	251.6	252.9	252.1	252.7	252.4	254.7	255.5
Farm products and processed foods and feeds	244.7	251.5	248.9	247.5	243.8	243.9	244.8	245.9	249.9	250.4
Farm products	249.4	254.9	242.3	244.7	229.2	230.7	232.5	233.1	240.8	241.4
Processed foods and feeds	241.2	248.7	251.5	248.1	250.8	250.2	250.6	251.8	253.9	254.3
Cereal and bakery products	236.0	255.5	253.9	253.3	253.0	254.2	256.6	256.9	257.3	257.4
Sugar and confectionery	322.5	275.9	269.9	255.0	276.3	280.4	280.8	281.8	286.4	283.7
Beverages	233.0	248.0	256.9	256.4	257.9	258.4	259.0	260.9	261.6	261.8

¹Commodities ready for sale to ultimate consumer. ²Commodities requiring further processing to become finished goods. ³All types and sizes of refined sugar. ⁴Products entering market for the first time which have not been manufactured at that point. ⁵Fresh and dried. ⁶Includes all raw, intermediate, and processed foods (excludes soft drinks, alcoholic beverages, and manufactured animal feeds). n.a. = not available.

Note: Annual historical data on consumer and producer food price indexes may be found in *Food Consumption, Prices and Expenditures*, Statistical Bulletin 694, ERS, USDA.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1982				1983		
	1980	1981	1982 p	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Market basket¹:										
Retail cost (1967=100)	238.8	257.1	266.4	263.8	266.6	265.3	264.8	265.7	266.6	268.4
Farm value (1967=100)	239.8	246.3	248.8	246.6	242.5	238.2	235.5	233.8	239.3	243.2
Farm-retail spread (1967=100) . . .	238.3	263.4	276.8	237.7	280.7	281.2	282.1	285.0	282.8	283.3
Farm value/retail cost (%)	37.2	35.5	34.6	34.6	33.7	33.3	32.9	32.5	33.2	34.5
Meat products:										
Retail cost (1967=100)	248.8	257.8	270.3	261.2	274.9	276.3	271.1	272.2	273.2	272.8
Farm value (1967=100)	234.0	235.5	261.3	242.7	246.7	239.5	237.4	240.5	248.6	250.1
Farm-retail spread (1967=100) . . .	266.1	284.0	292.5	282.8	308.0	313.6	310.6	309.3	302.0	299.3
Farm value/retail cost (%)	50.7	49.3	50.2	50.1	48.4	47.2	47.2	47.7	49.1	49.5
Dairy products:										
Retail cost (1967=100)	227.4	243.6	247.0	246.5	247.1	247.4	247.8	249.5	249.7	249.6
Farm value (1967=100)	251.1	265.9	261.8	261.6	285.0	264.0	264.3	262.9	264.6	262.7
Farm-retail spread (1967=100) . . .	206.6	224.1	234.0	233.3	231.4	232.8	234.7	237.7	236.6	238.1
Farm value/retail cost (%)	51.6	51.0	49.6	49.6	50.1	49.9	49.9	49.3	50.0	49.2
Poultry:										
Retail cost (1967=100)	190.8	198.6	194.9	194.7	195.4	192.0	190.4	191.3	194.0	193.7
Farm value (1967=100)	211.9	210.2	200.5	196.3	199.9	196.6	182.2	188.4	200.3	187.6
Farm-retail spread (1967=100) . . .	170.3	187.4	189.5	193.2	191.0	187.6	198.3	194.1	187.9	199.6
Farm value/retail cost (%)	54.6	52.0	50.6	49.6	50.3	50.3	47.1	48.4	50.8	47.6
Eggs:										
Retail cost (1967=100)	169.7	183.8	178.7	195.2	175.8	175.0	172.5	172.9	169.3	175.0
Farm value (1967=100)	184.3	206.5	189.5	225.8	188.9	185.4	176.7	165.6	174.3	186.9
Farm-retail spread (1967=100) . . .	148.6	150.9	163.2	150.9	156.8	159.9	166.4	183.5	162.0	157.8
Farm value/retail cost (%)	64.2	66.4	62.7	68.4	63.5	62.6	60.6	56.6	60.9	63.1
Cereal and bakery products:										
Retail cost (1967=100)	246.4	271.1	283.4	281.3	258.0	285.5	286.3	287.8	288.7	289.8
Farm value (1967=100)	221.4	217.5	192.5	202.8	191.1	192.0	194.4	195.3	201.2	203.0
Farm-retail spread (1967=100) . . .	251.6	282.2	301.2	297.5	304.4	304.8	306.3	306.9	306.8	307.8
Farm value/retail cost (%)	15.4	13.8	12.0	12.4	11.6	11.5	11.6	11.6	12.0	12.0
Fresh fruits:										
Retail cost (1967=100)	271.8	286.1	323.2	307.9	336.1	300.6	283.1	276.5	277.1	291.0
Farm value (1967=100)	245.0	251.0	327.1	330.3	294.3	252.8	213.1	177.8	173.1	175.7
Farm-retail spread (1967=100) . . .	283.8	301.8	321.4	297.8	354.9	321.9	314.5	320.8	323.8	342.3
Farm value/retail cost (%)	27.9	27.2	31.4	33.2	27.1	26.1	23.3	19.9	19.4	18.7
Fresh vegetables:										
Retail costs (1967=100)	242.2	287.4	288.9	306.1	240.2	249.1	270.8	270.0	273.4	294.0
Farm value (1967=100)	216.1	282.4	275.3	278.8	213.5	229.6	249.4	215.7	230.5	278.0
Farm-retail spread (1967=100) . . .	254.5	289.7	295.2	318.0	252.7	258.3	280.8	277.2	293.5	301.5
Farm value/retail cost (%)	28.5	31.4	30.5	21.9	28.4	29.5	29.4	30.2	27.0	30.2
Processed fruits and vegetables:										
Retail cost (1967=100)	242.5	271.5	286.2	285.8	286.8	287.3	286.0	286.6	287.4	287.6
Farm value (1967=100)	243.5	290.6	272.7	277.4	258.5	256.1	255.1	228.4	225.3	223.0
Farm-retail spread (1967=100) . . .	242.2	267.3	288.9	287.7	293.1	294.2	293.9	299.5	301.1	301.9
Farm value/retail costs (%)	18.2	19.4	17.3	17.6	16.3	16.2	16.2	14.4	14.2	14.1
Fats and oils:										
Retail cost (1967=100)	241.2	287.1	259.9	259.6	258.4	258.6	258.6	259.3	258.0	258.4
Farm value (1967=100)	250.3	262.4	207.8	212.3	189.7	195.4	187.6	190.9	198.5	203.1
Farm-retail spread (1967=100) . . .	237.7	268.9	279.9	277.8	284.8	282.8	285.2	285.5	280.9	279.7
Farm value/retail cost (%)	28.8	27.3	22.2	22.7	20.4	21.0	20.4	20.4	21.4	21.8

¹ Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Note: Annual historical data on farm-retail price spreads may be found in *Food Consumption, Prices and Expenditures*, Statistical Bulletin 694, ERS, USDA.

Farm-retail price spreads

	Annual			1982				1983		
	1980	1981	1982	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Beef, Choice:										
Retail price ¹ (cts./lb.)	237.6	238.7	242.5	237.0	238.7	237.1	235.7	236.9	238.7	238.1
Net carcass value ² (cts.)	155.4	149.3	150.7	154.6	139.0	138.7	138.7	140.5	144.0	150.3
Net farm value ³ (cts.)	145.0	138.5	140.5	144.9	128.7	128.6	129.3	131.5	135.5	142.1
Farm-retail spread (cts.)	92.6	100.2	102.0	92.1	110.0	108.5	106.4	105.4	103.2	96.0
Carcass-retail spread ⁴ (cts.)	82.2	89.4	91.8	82.4	99.7	98.4	97.0	96.4	94.7	87.8
Farm-carcass spread ⁵ (cts.)	10.4	10.8	10.2	9.7	10.3	10.1	9.4	9.0	8.5	8.2
Farm value/retail price (%)	61	58	58	61	54	54	55	56	57	60
Pork:										
Retail price ¹ (cts./lb.)	139.4	152.4	175.4	161.4	190.9	187.0	183.5	185.0	183.3	180.7
Wholesale value ² (cts.)	98.0	106.7	121.8	110.4	127.8	124.2	124.2	121.6	122.3	114.2
Net farm value ³ (cts.)	63.2	70.3	88.0	78.2	90.3	85.5	88.2	90.6	92.4	81.3
Farm-retail spread (cts.)	67.2	82.1	87.4	83.2	100.6	101.5	95.3	94.4	90.9	99.4
Wholesale-retail spread ⁴ (cts.)	41.4	45.7	53.6	51.0	63.1	62.8	59.3	63.4	61.0	66.5
Farm-wholesale spread ⁵ (cts.)	34.8	36.4	33.8	32.2	37.5	38.7	36.0	31.0	29.9	32.9
Farm value/retail price (%)	45	46	50	48	47	46	48	49	50	45

¹ Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from BLS. ² Value of carcass quantity equivalent to 1 lb. of retail cuts-beef adjusted for value of fat and bone byproducts. ³ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁴ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁵ Represents charges made for livestock marketing, processing and transportation to city where consumed.

Price Indexes of food marketing costs¹

	Annual			1981	1982				1983
	1980	1981	1982 p	IV	I	II	III	IV p	I p
1967=100									
Labor-hourly earnings and benefits . . .	292.6	321.3	342.9	326.5	336.6	341.8	344.5	348.8	353.4
Processing	283.3	309.2	330.0	316.2	325.6	330.8	329.7	333.9	339.4
Wholesaling	283.5	309.5	335.1	318.2	329.4	331.3	337.2	342.5	346.9
Retailing	306.4	338.6	359.3	340.5	350.8	357.4	362.5	366.5	370.3
Packaging and containers	261.5	280.9	275.1	281.4	279.9	278.9	272.0	269.8	272.7
Paperboard boxes and containers	234.7	258.2	254.9	261.1	260.7	258.6	253.7	246.7	244.7
Metal cans	325.7	345.8	363.4	347.6	359.2	367.3	363.5	364.1	364.4
Paper bags and related products	238.1	258.9	264.4	263.2	264.4	264.4	264.3	264.5	265.1
Plastic films and bottles	258.9	262.5	200.0	249.8	223.1	207.9	184.6	184.4	204.4
Glass containers	292.6	328.6	355.7	335.5	347.9	358.1	358.2	358.3	356.0
Metal foil	184.4	203.3	213.2	210.1	214.4	214.3	212.5	211.6	211.6
Transportation services	297.9	345.9	371.1	357.0	371.7	371.0	370.8	370.8	374.8
Advertising	214.5	234.9	260.1	242.0	251.4	259.3	263.7	266.0	272.4
Fuel and power	564.0	669.2	705.0	682.6	696.0	681.8	712.8	729.6	705.4
Electric	320.1	367.9	406.1	380.3	396.5	406.4	413.3	408.0	411.4
Petroleum	850.8	1,056.2	1,012.1	1,053.6	1,051.8	951.1	1,015.0	1,031.4	927.6
Natural gas	733.7	826.3	990.3	869.4	900.6	967.3	1,008.0	1,085.2	1,120.8
Communications, water and sewage . . .	153.9	168.7	186.7	177.7	180.7	185.5	188.9	191.6	197.2
Rent	235.4	255.0	264.3	262.8	266.1	265.6	265.0	265.2	267.4
Maintenance and repair	277.1	304.0	325.1	312.8	317.7	324.1	327.9	330.7	333.3
Business services	231.9	254.2	277.1	263.2	269.7	274.5	279.7	284.8	289.5
Supplies	258.8	283.8	289.1	288.3	290.1	289.3	288.6	288.4	286.9
Property taxes and insurance	270.6	294.0	309.9	300.8	304.0	307.3	312.0	316.3	321.5
Interest, short-term	240.3	288.8	232.6	253.3	268.1	263.9	226.1	172.4	163.2
Total marketing cost index	286.2	317.5	334.0	323.0	330.6	333.2	334.9	337.2	339.9

¹ Indexes measure changes in employee wages and benefits and in prices of supplies and services used in processing, wholesaling, and retailing U.S. farm foods purchased for at-home consumption. p = preliminary.

Note: Annual historical data on food marketing cost indexes may be found in *Food Consumption Prices and Expenditures*, Statistical Bulletin 694, ERS, USDA.

Transportation Data

Rail rates, grain and fruit and vegetable shipments

	Annual			1982				1983		
	1980	1981	1982	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Rail freight rate index¹										
All products (1969=100)	264.5	327.6	351.4p	350.6	351.8	351.7	352.1p	355.2p	355.4p	355.3
Farm Products (1969=100)	275.6	315.0	337.2p	337.7	335.7	336.3	338.9p	341.5p	342.0p	342.0
Grain (Dec. 1978=100)	127.9	148.1	159.5p	160.2	158.7	158.7	158.7p	160.0p	156.8p	160.0
Food products (1969=100)	283.1	329.4	353.4p	353.7	353.1	353.1	353.1p	356.8p	160.0p	356.4
Rail carloadings of grain (thou. cars)²	30.1	26.3	24.4	26.9	29.5	352.5	21.9	24.7	26.3	26.8
Barge shipments of grain (mil. bu.)³	36.7	38.2	41.9	38.1	47.5	51.5	37.4	46.4	33.8	42.5
Fresh fruit and vegetable shipments										
Piggy back (thousand cwt.) ⁴	124	247	384	311	401	347	384	467	530	446
Rail (thou. cwt.) ⁴	1,218	711	688	724	427	617	674	464	918	713
Truck (thou. cwt.) ⁴	7,584	7,662	7,858	7,733	7,002	7,442	8,115	7,389	7,097	7,547

¹ Department of Labor, Bureau of Labor Statistics, revised April 1982. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1982. p = preliminary.

Livestock and Products

Poultry and eggs

	Annual			1982				1983		
	1980	1981	1982 p	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Broilers										
Federally inspected slaughter, certified (mil. lb.)	11,272	11,106	12,039	1,052.4	1,010.4	929.8	971.3	1,018.7	927.8	—
Wholesale price, 9-city, (cts./lb.)	46.8	46.3	44.0	44.8	42.3	40.3	42.0	43.1	45.2	41.9
Price of broiler grower feed (\$/ton)	207	227	210	207	203	198	201	202	206	210
Broiler-feed price ratio (lb.) ¹	2.7	2.6	2.5	2.6	2.5	2.5	2.4	2.6	2.7	2.4
Average weekly placements of broiler chicks, 19 States (mil.)	² 77.9	² 77.1	² 80.2	83.0	73.7	75.2	80.0	82.1	81.6	85.1
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	2,332	2,509	2,459	154.9	276.6	289.8	192.7	144.1	133.0	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	63.6	60.7	60.8	56.0	69.6	67.2	54.2	53.6	54.9	56.0
Price of turkey grower feed (\$/ton)	223	249	229	225	221	222	225	226	227	230
Turkey-feed price ratio (lb.) ¹	3.5	3.1	3.0	3.0	3.9	3.9	3.0	2.6	2.9	2.9
Poults hatched (mil.)	188.7	187.3	184.2	18.1	9.8	11.7	12.5	14.3	15.4	(³)
Eggs										
Price of laying feed (\$/ton)	188	210	190	190	185	182	185	186	188	189
Egg-feed price ratio (lb.) ¹	6.0	6.0	6.1	7.2	6.3	6.3	6.0	5.7	5.8	6.2
Cartoned price, New York, grade A large (cts./doz.) ⁴	66.9	73.2	70.1	79.4	69.5	68.6	67.2	82.7	65.7	—
Replacement chicks hatched (mil.)	485	454	444	44.2	32.3	30.2	31.1	33.2	32.9	39.2
	Annual			⁴ 1982				1983		
	1980	1981	1982 p	I	II	III	IV	Jan	Feb	Mar
Eggs										
Farm production (mil.)	69,671	69,827	69,680	17,473	17,557	17,231	17,419	5,917	5,345	5,913
Average number of layers on farms (mil.)	288	288	286	292	285	282	285	284	281	278
Rate of lay (eggs per layer)	242	243	244	59.9	61.6	61.1	61.0	20.8	19.0	21.3
	Annual			⁵ 1982				1983		
	1980	1981	1982 p	I	II	III	IV	Jan	Feb	Mar
Stocks										
Eggs, shell (thou. cases)	38	31	35	38	39	32	28	34	35	25
Eggs, frozen (mil. lb.)	23.4	24.3	23.7	23.7	17.4	22.7	28.0	25.4	28.1	27.5
Broilers, beginning of period (mil. lb.)	30.6	22.4	32.6	32.6	27.0	21.8	17.4	22.3	20.8	17.6
Turkeys, beginning of period (mil. lb.)	240.0	198.0	238.4	305.1	236.4	281.7	440.2	203.9	193.8	187.7

¹ Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. ² 19 States. ³ Price of cartoned eggs to volume buyers for delivery to retailers. ⁴ Marketing year quarters begin in December. ⁵ Monthly data not available for 1982. ⁶ Not reported.

Dairy

	Annual			1982				1983		
	1980	1981	1982	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Milk prices, Minnesota-Wisconsin.										
3.5% fat (5/cwt.) ¹	11.88	12.57	12.48	12.45	12.56	12.56	12.62	12.62	12.59	12.53
Price of 16% dairy ration (\$/ton)	177	192	177	179	171	172	174	175	177	175
Milk-feed price ratio (lb.) ²	1.48	1.44	1.53	1.52	1.61	1.62	1.60	1.58	1.56	1.57
Wholesale prices:										
Butter, Grade A Chl. (cts./lb.)	139.3	148.0	147.7	147.8	147.4	148.2	147.9	147.2	147.2	147.2
Am. cheese, Wis. assembly pt. (cts./lb.)	133.0	139.4	138.3	137.4	140.3	140.6	140.4	139.3	133.9	138.0
Nonfat dry milk, (cts./lb.) ³	88.4	93.1	93.2	93.5	93.1	93.2	93.4	93.4	93.4	93.4
USDA net removals (mil. lb.):										
Total milk equiv. (mil. lb.) ⁴	8,799.9	12,860.9	14,286.6	1,642.9	819.7	513.3	755.9	1,972.6	1,890.8	1,782.0
Butter (mil. lb.)	257.0	351.5	382.3	52.2	21.3	7.6	15.5	66.8	59.2	46.7
Am. cheese (mil. lb.)	349.7	563.0	642.9	56.7	38.1	35.4	43.7	60.1	67.3	82.3
Nonfat dry milk (mil. lb.)	634.3	851.3	952.9	92.0	53.4	51.7	68.7	81.8	83.9	106.0

	Annual			1981		1982				1983
	1980	1981	1982	III	IV	I	II	III	IV	I
Milk:										
Total milk production (mil. lb.)	128,525	133,013	135,795	33,178	32,060	33,235	35,723	33,983	32,854	33,955
Milk per cow (lb.)	11,889	12,177	12,316	3,036	2,917	3,016	3,246	3,082	2,972	3,070
Number of milk cows (thou.)	10,810	10,923	11,026	10,928	10,991	11,021	11,004	11,026	11,053	11,059
Stocks, beginning										
Total milk equiv. (mil. lb.) ⁴	8,599	12,958	18,377	19,534	19,813	18,377	18,022	20,990	20,916	20,054
Commercial (mil. lb.)	5,419	5,752	5,398	5,921	5,255	5,398	5,167	5,042	4,569	4,603
Government (mil. lb.)	3,180	7,207	12,980	13,613	14,558	12,980	12,855	15,949	18,347	15,451
Imports, total equiv. (mil. lb.) ⁴	2,109	2,329	3,017	578	877	422	565	581	909	n.a.
Commercial disappearance										
milk equiv. (mil. lb.)	119,181	120,513	122,460	31,714	30,560	28,655	30,948	31,802	31,056	n.a.
Butter:										
Production (mil. lb.)	1,145.3	1,228.2	1,258.8	250.2	302.3	368.6	332.9	262.2	295.1	n.a.
Stocks, beginning (mil. lb.)	177.8	304.6	429.2	507.5	489.5	429.2	447.8	541.5	510.0	466.8
Commercial disappearance (mil. lb.)	878.8	869.2	898.9	222.9	243.2	213.3	216.5	222.9	246.1	n.a.
American cheese:										
Production (mil. lb.)	2,375.6	2,608.5	2,692.7	619.1	611.1	655.6	740.9	662.5	633.8	n.a.
Stocks, beginning (mil. lb.)	406.6	591.5	889.1	828.0	886.4	889.1	817.1	903.2	955.0	981.4
Commercial disappearance (mil. lb.)	2,023.9	2,114.5	2,107.2	536.5	548.4	534.7	527.8	538.7	506.2	n.a.
Other Cheese:										
Production (mil. lb.)	1,608.5	1,620.8	1,739.2	398.4	426.6	393.6	437.8	437.0	470.9	n.a.
Stocks, beginning (mil. lb.)	105.6	99.3	86.6	100.8	95.7	86.6	80.9	91.8	99.2	82.8
Commercial disappearance (mil. lb.)	1,827.9	1,860.8	1,994.5	457.4	528.8	444.6	478.8	489.9	581.3	n.a.
Nonfat dry milk:										
Production (mil. lb.)	1,160.7	1,314.3	1,397.2	325.8	291.4	336.6	417.2	346.7	296.8	n.a.
Stocks, beginning (mil. lb.)	485.2	586.8	889.7	733.1	809.0	889.7	975.8	1,132.4	1,240.1	1,282.0
Commercial disappearance (mil. lb.)	538.9	464.1	439.6	155.4	118.0	94.4	75.2	150.0	120.1	n.a.
Frozen dessert production (mil. gal.)⁵	1,168.4	1,169.2	1,186.0	348.0	244.8	251.1	334.7	347.8	252.4	n.a.

¹ Manufacturing grade milk. ² Pounds of 16% protein ration equal in value to 1 pound of milk. ³ Prices paid f.o.b. Central States production area, high heat spray process. ⁴ Milk equivalent, fat-solids basis. ⁵ Ice cream, ice milk, and sherbert. n.a. = not available.

Wool

	Annual			1982				1983		
	1980	1981	1982	Mar	Oct	Nov	Dec	Jan	Feb	Mar
U.S. wool price, Boston¹ (cts./lb.)	245	278	247	244	n.a.	n.a.	n.a.	n.a.	n.a.	192
Imported wool price, Boston² (cts./lb.)	265	292	262	282	243	245	246	256	249	241
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	113,423	127,752	105,009	12,846	7,093	7,717	9,417	8,785	9,645	n.a.
Carpet wool (thou. lb.)	10,020	10,896	9,825	1,030	703	769	644	849	955	n.a.

¹ Wool price delivered at U.S. mills, clean basis. Graded Territory 64's (20.60-22.04 microns) staple 2 1/2" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. ² Wool price delivered at U.S. mills, clean basis. Australian 80/82's, type 64A (24 micron), including duty (25.5 cents). Duty in 1982 is 10.0 cents. Prior to January 1976 reported as: Australian 84's combing, excluding. n.a. = not available.

Meat animals

	Annual			1982				1983		
	1980	1981	1982	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Cattle on feed (7-States)										
Number on feed (thou. head) ¹	8,454	7,863	7,201	6,869	7,153	8,143	8,324	8,316	8,052	7,604
Placed on feed (thou. head)	18,346	17,814	20,261	1,798	2,600	1,785	1,533	1,509	1,179	1,394
Marketings (thou. head)	17,448	17,198	18,007	1,547	1,527	1,485	1,430	1,643	1,506	1,593
Other disappearance (thou. head)	1,489	1,263	1,139	96	83	119	111	130	121	137
Beef steer-corn price ratio, Omaha (bu.) ²	25.1	22.2	26.5	26.5	27.7	25.1	25.2	24.5	23.4	22.7
Hog-corn Price ratio, Omaha (bu.) ²	14.8	15.5	22.9	19.8	27.2	22.8	23.0	23.2	21.7	18.1
Market prices (\$ per cwt.)										
Slaughter cattle:										
Choice steers, Omaha	66.96	63.84	64.30	65.80	58.76	58.91	58.92	59.33	61.20	64.03
Utility cows, Omaha	45.73	41.93	39.96	39.41	39.28	36.58	35.41	36.94	40.92	42.36
Choice vealers, S. St. Paul	75.53	77.16	77.70	71.50	75.00	75.00	78.40	75.88	75.00	75.50
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	75.23	66.24	64.82	55.78	63.45	63.88	62.35	65.30	67.35	69.19
Slaughter hogs:										
Barrows and gilts, 7-markets	40.04	44.45	55.44	49.38	56.94	53.49	54.94	56.78	57.27	50.94
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	30.14	35.40	51.14	52.04	53.81	45.62	47.42	52.94	55.40	52.36
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	66.42	58.40	56.44	60.70	50.38	47.50	51.62	55.61	60.88	63.30
Ewes, Good, San Angelo	24.68	26.15	21.80	31.80	12.06	11.83	14.44	20.25	19.25	21.10
Feeder lambs:										
Choice, San Angelo	68.36	56.86	52.97	57.65	46.67	48.33	52.44	58.31	64.06	63.90
Wholesale meat prices, Midwest										
Choice steer beef, 600-700 lb.	104.44	99.84	101.31	103.82	93.00	92.86	92.62	94.14	96.55	100.62
Canner and Cutter cow beef	92.45	84.06	78.96	83.46	77.83	75.19	73.17	74.88	63.83	84.04
Pork loins, 8-14 lb.	84.87	96.56	111.51	95.45	113.43	104.92	106.12	112.83	-	-
Pork bellies, 12-14 lb.	43.78	52.29	78.54	66.67	75.20	71.86	74.02	80.91	-	65.11
Hams, skinned, 14-17 lb.	73.34	77.58	91.47	90.69	105.80	106.00	104.74	85.92	88.93	81.39
	Annual			1981				1982		
	1980	1981	1982	IV	I	II	III	IV	I	II
Cattle on feed (13-States):										
Number on feed (thou. head) ¹	10,399	9,845	9,028	8,210	9,028	8,818	8,981	8,800	10,271	-
Placed on feed (thou. head)	22,548	21,929	24,425	6,193	5,572	5,761	5,846	7,226	5,047	-
Marketings (thou. head)	21,306	21,219	21,809	5,034	5,443	5,209	5,773	5,384	5,714	-
Other disappearance (thou. head)	1,796	1,527	1,373	341	339	409	254	371	451	-
Hogs and pigs (10-States):³										
Inventory (thou. head) ¹	49,090	45,970	41,940	47,170	45,970	40,610	41,190	41,670	41,940	41,640
Breeding (thou. head) ¹	6,840	6,021	5,593	6,357	6,021	5,578	5,689	5,553	5,593	5,913
Market (thou. head) ¹	42,250	39,949	36,347	40,813	39,949	35,032	35,501	36,117	36,347	35,727
Farrowings (thou. head)	10,527	9,821	8,963	2,418	1,977	2,391	2,199	2,358	2,080	42,582
Pig crop (thou. head)	76,230	72,591	65,767	17,853	14,059	17,943	16,254	17,511	15,468	-
Commercial slaughter (thou. head)⁴										
Cattle	33,807	34,953	35,843	8,992	8,679	8,642	9,214	9,308	8,734	-
Steers	17,156	17,508	17,277	4,338	4,431	4,390	4,323	4,133	4,265	-
Heifers	9,593	10,027	10,394	2,586	2,337	2,353	2,879	2,825	2,581	-
Cows	6,334	6,643	7,354	1,880	1,738	1,685	1,787	2,144	1,701	-
Bulls and stags	724	775	818	186	173	214	225	206	187	-
Calves	2,588	2,798	3,021	802	770	675	770	806	734	-
Sheep and lambs	5,579	6,008	6,449	1,600	1,602	1,537	1,628	1,681	1,624	-
Hogs	96,074	91,575	82,190	24,026	21,714	20,712	18,940	20,825	20,211	-
Commercial production (mil. lb.)										
Beef	21,470	22,214	22,366	5,677	5,455	5,363	5,730	5,818	5,525	-
Veal	379	415	423	115	107	99	107	110	103	-
Lamb and mutton	310	327	356	67	90	85	88	93	93	-
Pork	16,432	15,716	14,121	4,157	3,693	3,550	3,240	3,638	3,483	-

¹ Beginning of period. ² Bushels of corn equal in value to 100 pounds liveweight. ³ Quarters are Dec. preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). ⁴ Intentions. *Classes estimated.

Crops and Products

Food grains

	Marketing year ¹			1982				1983		
	1979/80	1980/81	1981/82	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Wholesale Prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	4.25	4.45	4.27	4.25	3.61	3.86	3.98	4.00	4.08	4.18
Wheat, DNS, Minneapolis (\$/bu.) ³	4.16	4.46	4.17	4.10	3.78	3.85	3.76	3.80	3.82	4.01
Flour, Kansas City (\$/cwt.)	10.03	10.35	10.37	10.64	9.96	9.92	10.30	10.20	10.49	10.50
Flour, Minneapolis (\$/cwt.)	10.27	10.98	10.70	10.74	10.39	10.46	10.45	10.16	10.30	10.76
Rice, S.W. La. (\$/cwt.) ³	22.15	25.95	20.20	18.00	17.50	17.55	18.40	18.35	17.50	17.50
Wheat:										
Exports (mil. bu.)	1,375	1,514	1,773	165	105	110	100	152	157	—
Mill grind (mil. bu.)	630	643	631	57	56	54	55	55	53	—
Wheat flour production (mil. cwt.)	283	290	282	25	25	24	24	24	23	—
	Marketing year ¹			1981				1982		
	1979/80	1980/81	1981/82	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec
Wheat:										
Stocks, beginning (mil. bu.)	924	902	989	1,329	989	2,735	2,178	1,557	1,164	2,987
Domestic use:										
Food (mil. bu.)	596	611	600	98	202	159	162	87	208	150
Feed and seed (mil. bu.) ⁴	187	165	254	20	229	28	29	24	235	3
Exports (mil. bu.)	1,375	1,514	1,773	224	622	427	441	282	546	315

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual.

Feed grains

	Marketing year ¹			1982				1983		
	1979/80	1980/81	1981/82	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Wholesale Prices:										
Corn, No. 2 yellow, St. Louis (\$/bu.)	2.73	3.35	2.61	2.66	2.32	2.43	2.49	2.52	2.79	2.99
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	4.65	5.36	4.29	4.28	3.85	4.25	4.37	4.54	4.87	5.08
Barley, feed, Minneapolis (\$/bu.)	2.16	2.60	2.21	2.16	1.54	1.58	1.59	1.63	1.72	1.73
Barley, malting, Minneapolis (\$/bu.)	2.87	3.64	3.06	2.99	2.42	2.45	2.37	2.38	2.42	2.45
Exports:										
Corn (mil. bu.)	2,433	2,355	1,967	190	167	171	175	175	162	170
Feed grains (mil. metric tons) ²	71.3	69.3	58.6	5.6	4.6	4.9	5.2	5.3	4.6	4.9
	Marketing year ¹			1981				1982		
	1979/80	1980/81	1981/82	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar p
Corn:										
Stocks, beginning (mil. bu.)	1,304	1,618	1,034	2,774	1,034	6,968	6,132	3,904	2,286	8,424
Domestic use:										
Feed (mil. bu.)	4,519	4,139	4,173	831	1,553	1,194	672	753	1,555	1,377
Food, seed, ind. (mil. bu.)	675	735	812	311	170	153	147	342	192	176
Feed grains:³										
Stocks, beginning (mil. metric tons)	46.2	52.4	34.6	80.7	45.5	207.0	150.5	114.3	84.9	250.5
Domestic use:										
Feed (mil. metric tons)	138.7	123.0	127.9	24.8	47.4	36.6	20.1	23.7	48.4	41.5
Food, seed, ind. (mil. metric tons)	22.3	23.8	25.8	9.5	5.3	5.2	5.0	10.3	5.9	5.7

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² Aggregated data for corn, sorghum, oats, and barley. p = preliminary.

Vegetables

	Annual			1982				1983		
	1980	1981	1982	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Wholesale Prices:										
Potatoes, white, f.o.b. East (\$/cwt.) . . .	6.32	9.39	6.05	6.48	4.32	4.05	3.82	3.91	4.08	4.08
Iceberg lettuce (\$/crt.) ¹	4.25	5.27	5.92	5.19	4.31	6.28	5.72	4.38	3.44	6.20
Tomatoes (\$/crt.) ²	7.57	9.06	7.40	8.04	7.74	8.10	9.33	6.95	13.62	19.12
Wholesale Price index, 10 canned										
veg. (1967=100)	200	235	239	239	235	234	233	233	230	232
Grower price index, fresh commercial										
veg. (1977=100)	110	135	121	129	93	118	110	101	116	143

¹ Std. carton 24's f.o.b. shipping point. ² 5 x 6-6 x 6, f.o.b. Fla-Cal.

Sugar

	Annual			1982				1983		
	1980	1981	1982	Mar	Oct	Nov	Dec	Jan	Feb	Mar
U.S. raw sugar price, N.Y. (cts./lb.) ¹ . . .	30.11	19.73	19.92	17.13	20.44	20.79	20.83	21.23	21.76	21.86
U.S. deliveries (thou. short tons) ^{2,3} . . .	10,149	9,731	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

¹ Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid August 1979 after being suspended November 3, 1977. ² Raw value. ³ Excludes Hawaii. n.a. = not available.

Tobacco

	Annual			1982				1983		
	1980	1981	1982 p	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Prices at auctions:										
Flue-cured (cts./lb.) ¹	144.5	166.4	178.6	—	181.0	—	—	—	—	—
Burley (cts./lb.) ¹	165.9	180.6	180.3	—	—	184.0	179.0	182.5	180.0	—
Domestic consumption²										
Cigarettes (bil.)	620.7	640.0	633.0	57.4	54.1	49.5	33.1	48.7	n.a.	n.a.
Large cigars (mil.)	3,994	3,893	3,607	328.3	311.7	314.0	266.2	266.9	n.a.	n.a.

¹ Crop year July-June for flue-cured, October-September for burley. ² Taxable removals. n.a. = not available.

Coffee

	Annual			1982				1983		
	1980	1981	1982 p	Mar	Oct	Nov	Dec	Jan p	Feb p	Mar p
Composite green price, N.Y. (cts./lb.) . . .	157.78	122.10	132.00	136.01	135.00	134.92	135.46	131.37	128.88	126.47
Imports, green bean equivalent (mil. lb.) ¹ .	2,466	2,248	2,352	194	274	187	213	205	190F	180F
	Annual			1981		1982		1983		
	1980	1981	1982 p	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec p	Jan-Mar p
Roastings (mil. lb.) ²	2,255	2,324	2,293	516	657	585	498	536	674	554

¹ Green and processed coffee. ² Instant soluble and roasted coffee. F = Forecast. p = preliminary.

Fats and oils

	Marketing year ¹			1982				1983		
	1979/80	1980/81	1981/82	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Soybeans:										
Wholesale price, No. 1 yellow.										
Chicago (\$/bu.) ²	8.46	7.59	6.24	6.18	5.26	5.64	5.65	5.85	5.91	—
Crushings (mil. bu.)	1,123.0	1,020.5	1,029.7	85.1	100.2	108.1	111.9	110.0	93.0	—
Exports (mil. bu.)	875.0	724.3	929.1	79.0	94.4	93.6	90.1	86.3	87.2	—
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	24.3	22.7	19.0	18.5	17.4	17.6	16.6	16.4	17.3	17.7
Production (mil. lb.)	12,105.3	11,270.2	10,979.4	912.1	1,079.4	1,145.3	1,191.1	1,187.2	997.0	—
Domestic disappearance (mil. lb.)	8,980.7	9,113.7	9,536.3	784.8	793.2	873.5	767.2	918.4	814.6	—
Exports (mil. lb.)	2,690.2	1,830.5	2,078.3	126.5	181.1	174.9	142.0	124.0	225.9	—
Stocks, beginning (mil. lb.)	776.0	1,210.2	1,736.1	2,140.6	1,102.5	1,207.8	1,304.7	1,586.6	1,713.4	1,870.0
Soybean meal:										
Wholesale price, 44% protein, Decatur (\$/ton)	181.91	218.18	182.52	183.6	157.0	173.4	178.5	179.3	177.1	—
Production (thou. ton)	27,105.1	24,312.1	24,634.4	2,049.9	2,385.9	2,581.4	2,679.1	2,628.1	2,220.7	—
Domestic disappearance (thou. ton)	19,215.0	17,590.9	17,714.4	1,471.1	1,770.1	1,851.5	2,035.6	1,508.0	1,371.3	—
Exports (thou. ton)	7,931.9	6,784.1	6,907.5	713.4	448.2	723.1	660.8	1,062.2	826.8	—
Stocks, beginning (thou. ton)	267.4	225.6	162.7	324.9	175.2	342.8	349.6	332.3	400.2	422.8
Margarine, wholesale price, Chicago (cts./lb.)	50.3	47.0	41.4	40.3	41.3	41.3	40.6	40.0	40.0	40.0

¹ Beginning September 1 for soybeans; October 1 for soybean meal and oil; calendar year for margarine. ² Beginning April 1, 1982 prices based on 30 day delivery, using upper end of the range.

Cotton

	Marketing year ¹			1982				1983		
	1979/80	1980/81	1981/82	Mar	Oct	Nov	Dec	Jan	Feb	Mar
U.S. price, SLM, 1-1/16 in. (cts./lb.) ²	71.5	83.0	60.5	59.7	58.6	58.2	59.7	60.2	61.7	66.1
Northern Europe prices:										
Index (cts./lb.) ³	n.a.	93.3	73.8	70.4	70.2	69.0	69.7	71.9	74.3	78.9
U.S. M 1-3/32" (cts./lb.) ⁴	n.a.	n.a.	75.9	74.7	73.4	72.0	73.3	74.3	75.5	81.4
U.S. mill consumption (thou. bales)	6,463.0	5,870.5	5,263.8	518.0	434.7	407.4	444.5	423.0	453.3	—
Exports (thou. bales)	9,228.9	5,925.8	6,567.3	924.0	308.3	399.1	394.9	462.4	385.8	—

² Beginning August 1. ³ Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths. n.a. = not available.

Fruit

	Annual			1982				1983		
	1980	1981	1982	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Wholesale price indexes:										
Fresh fruit (1967=100)	237.3	226.7	235.4	230.0	224.5	233.4	234.2	222.1	227.1	214.9
Dried fruit (1967=100)	399.2	405.9	409.7	410.0	412.5	412.5	411.3	410.2	411.4	410.4
Canned fruit and juice (1967=100)	256.4	273.8	283.7	285.1	281.6	279.9	283.4	284.6	283.2	282.4
Frozen fruit and juice (1967=100)	244.3	302.8	305.5	318.0	301.9	302.8	297.5	298.3	296.1	300.1
F.o.b. shipping point prices:										
Apples, Yakima Valley (\$/ctn.) ¹	n.a.	n.a.	n.a.	14.42	10.95	10.22	11.56	8.06	³ 9.50	³ 9.81
Pears, Medford, Or. (\$/box) ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Oranges, U.S. avg. (\$/box)	9.58	11.30	14.10	13.20	19.50	16.50	12.99	11.10	10.40	10.20
Grapefruit, U.S. avg. (\$/box)	8.50	10.10	9.36	8.60	8.74	8.36	8.48	8.63	8.63	8.55
	Year Ending			1982				1983		
	1980	1981	1982	Mar	June	Sept	Dec	Jan	Feb	Mar
Stocks, ending:										
Fresh apples (mil. lb.)	2,244.6	2,676.1	3,138.9	1,119.3	276.9	1,500.2	3,082.3	2,443.7	1,900.0	1,323.0
Fresh pears (mil. lb.)	205.0	207.9	180.9	72.1	n.a.	467.1	180.9	140.1	110.2	77.5
Frozen fruit (mil. lb.)	579.5	545.6	627.5	380.6	345.5	595.9	623.6	546.3	482.6	—
Frozen fruit juices (mil. lb.)	1,008.4	1,127.2	1,157.6	1,765.8	1,850.6	1,206.9	1,158.4	1,368.3	1,380.2	1,326.2

¹ Red Delicious, Washington extra fancy, carton tray pack, 80-113's. ² D'Anjou pears, Medford, Or. wrapped, U.S. No. 1, 100-135's. ³ Control atmosphere storage. n.a. = not available.

Supply and Utilization: Crops

Supply and utilization: domestic measure¹

	Area		Yield	Production	Total Supply ²	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ³
	Planted	Harvested									
	Mil. acres		Bu/acre				Mil. bu				\$/bu.
Wheat:											
1979/80	71.4	62.6	34.2	2,134	3,060	86	697	1,375	2,158	902	3.78
1980/81	80.6	71.0	33.4	2,374	3,279	51	725	1,514	2,290	989	3.91
1981/82	88.9	81.0	34.5	2,799	3,791	142	712	1,773	2,627	1,164	3.65
1982/83	87.3	78.8	35.6	2,809	3,979	200	705	1,525	2,430	1,549	3.45
1983/84	—	—	—	2,265	3,817	235	710	1,500	2,445	1,372	3.50-3.90
Rice:											
	Mil. acres		lb/acre				Mil. cwt. (rough equiv.)				c/lb.
1979/80	2.89	2.87	4,599	131.9	163.6	76.1	49.2	82.6	137.9	25.7	10.50
1980/81	3.38	3.31	4,413	146.2	172.1	79.7	54.5	91.4	155.6	16.5	12.80
1981/82	3.83	3.79	4,819	182.7	199.6	90.0	59.6	82.0	150.6	49.0	9.05
1982/83	3.29	3.25	4,742	154.2	203.7	100.0	61.0	67.5	138.5	65.2	8.00
1983/84	—	—	—	110.5	176.2	100.0	64.5	67.5	142.0	34.2	8.50-10.00
Corn:											
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
1979/80	81.4	72.4	109.7	7,939	9,244	4,519	675	2,433	7,627	1,617	2.52
1980/81	84.0	73.0	91.0	6,645	8,263	4,139	735	2,355	7,229	1,034	3.11
1981/82	84.2	74.7	109.8	6,202	9,237	4,173	811	1,967	6,951	2,286	2.50
1982/83	81.9	73.2	114.9	8,397	10,684	4,400	900	2,000	7,300	3,384	2.65
1983/84	—	—	—	5,640	9,025	4,200	950	2,100	7,250	1,775	2.70-3.10
Sorghum:											
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
1979/80	15.3	12.9	62.7	809	969	484	13	325	822	147	2.34
1980/81	15.6	12.5	46.3	579	726	307	11	299	617	109	2.94
1981/82	16.0	13.7	64.1	879	988	431	11	249	691	297	2.39
1982/83	16.1	14.2	59.0	841	1,138	425	11	225	661	477	2.50
1983/84	—	—	—	700	1,177	450	11	250	711	466	2.55-2.95
Barley:											
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
1979/80	8.1	7.5	50.9	383	623	204	172	55	431	192	2.29
1980/81	8.3	7.3	49.6	361	563	174	175	77	426	137	2.86
1981/82	9.7	9.2	52.3	479	626	202	174	100	476	150	2.45
1982/83	9.6	9.1	57.3	522	682	240	177	45	462	220	2.16
1983/84	—	—	—	470	700	250	180	60	490	210	2.30-2.60
Oats:											
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
1979/80	14.0	9.7	54.4	527	808	492	76	4	572	236	1.36
1980/81	13.4	8.7	53.0	458	696	432	74	13	519	177	1.79
1981/82	13.7	9.4	54.0	509	688	451	78	7	536	152	1.89
1982/83	14.2	10.6	58.4	617	772	445	75	5	525	247	1.45
1983/84	—	—	—	515	765	450	75	10	535	230	1.50-1.75
Soybeans:											
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
1979/80	71.6	70.6	32.1	2,268	2,442	485	1,123	875	2,083	359	6.28
1980/81	70.0	67.9	26.4	1,792	2,151	489	1,020	724	1,833	318	7.57
1981/82	67.8	66.4	30.1	2,000	2,318	493	1,030	929	2,052	266	6.04
1982/83	72.2	70.8	32.2	2,277	2,543	488	1,130	950	2,168	375	5.60
1983/84	—	—	—	2,100	2,475	490	1,135	970	2,196	280	5.50-7.50
Soybean oil:											
							Mil. lbs.				c/lb.
1979/80	—	—	—	12,105	12,881	—	8,981	2,690	11,671	1,210	24.3
1980/81	—	—	—	11,270	12,480	—	9,113	1,631	10,744	1,736	22.7
1981/82	—	—	—	10,979	12,715	—	9,535	2,077	11,612	1,103	19.0
1982/83	—	—	—	12,147	13,260	—	9,800	2,205	12,005	1,245	17.5
1983/84	—	—	—	12,370	13,615	—	10,200	2,050	12,250	1,365	16.0-20.0
Soybean meal:											
							Thou. tons				\$/ton
1979/80	—	—	—	27,105	27,372	—	19,214	7,932	27,146	226	181.9
1980/81	—	—	—	24,312	24,538	—	17,591	6,784	24,375	163	218.2
1981/82	—	—	—	24,634	24,797	—	17,714	6,908	24,622	175	183
1982/83	—	—	—	27,005	27,180	—	18,870	8,050	26,920	260	175
1983/84	—	—	—	27,070	27,330	—	19,100	7,950	27,050	280	180-220

See footnotes at end of table.

Supply and utilization—domestic measure, continued

	Area		Yield	Production	Total Supply ²	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ³
	Planted	Harvested									
	Mill. acres		lb./acre								c/lb
Cotton:											
1979/80	14.0	12.8	547	14.6	18.6	—	6.5	9.2	15.7	3.0	\$62.5
1980/81	14.5	13.2	404	11.1	14.1	—	5.9	5.9	11.8	2.7	\$74.7
1981/82	14.3	13.8	543	15.6	18.3	—	5.3	6.6	11.8	6.6	\$54.3
1982/83	11.5	9.9	582	12.0	18.7	—	5.4	5.4	10.8	8.0	—
1983/84	—	—	—	9.2	17.2	—	5.7	6.0	11.7	5.6	—

Supply and utilization—metric measure⁶

	Mill. hectares		Metric tons/ha			Mill. metric tons					\$/metric ton
Wheat:											
1979/80	28.9	25.3	2.30	58.1	83.3	2.3	19.0	37.4	58.7	24.5	139
1980/81	32.6	28.7	2.25	64.6	89.2	1.4	19.7	41.2	82.3	26.9	144
1981/82	36.0	32.8	2.32	76.2	103.2	3.9	19.4	48.3	71.5	31.7	134
1982/83	35.3	31.9	2.39	76.4	108.3	5.4	19.2	41.5	66.1	42.2	127
1983/84	—	—	—	61.6	103.9	6.4	19.3	40.8	66.6	37.3	129-143

Mill. metric tons (rough equiv.)

Rice:											
1979/80	1.2	1.2	5.18	6.0	7.4	70.3	2.2	3.7	6.2	1.2	231
1980/81	1.4	1.3	4.95	6.6	7.8	70.4	2.5	4.2	7.1	0.7	282
1981/82	1.6	1.5	5.40	8.3	9.0	70.4	2.7	3.7	6.8	2.2	200
1982/83	1.3	1.3	5.32	7.0	9.2	70.4	2.8	3.1	6.3	3.0	176
1983/84	—	—	—	5.0	8.0	70.4	2.9	3.1	6.4	1.6	187-220

Mill. metric tons

Corn:											
1979/80	32.9	29.3	6.88	201.6	234.8	114.8	17.1	61.8	193.7	41.1	99
1980/81	34.0	29.5	5.72	168.8	209.9	105.1	18.7	59.8	183.6	26.3	122
1981/82	34.1	30.2	6.90	208.3	234.6	106.0	20.6	50.0	176.5	58.1	98
1982/83	33.1	29.6	7.21	213.3	271.4	111.8	22.9	50.8	185.4	86.0	104
1983/84	—	—	—	143.3	229.2	106.7	24.1	53.3	184.2	45.1	106-122

Feed Grain:											
1979/80	48.1	41.5	5.74	238.2	284.7	138.7	22.3	71.3	232.3	52.4	—
1980/81	49.1	41.1	4.82	198.0	250.7	123.0	23.8	69.3	216.1	34.6	—
1981/82	50.0	43.3	5.74	248.5	283.4	127.9	25.8	58.6	212.3	71.1	—
1982/83	49.3	43.3	5.87	255.0	326.4	134.2	28.1	57.6	219.9	106.5	—
1983/84	—	—	—	178.7	285.5	130.1	29.4	61.1	220.6	64.9	—

Soybeans:											
1979/80	29.0	28.6	2.16	61.7	66.5	42.3	30.6	23.8	56.7	9.8	231
1980/81	28.3	27.5	1.78	48.8	58.5	42.4	27.8	19.7	49.9	8.7	278
1981/82	27.4	26.9	2.03	54.4	63.1	42.5	28.0	25.3	55.8	7.3	222
1982/83	29.2	28.6	2.16	62.0	69.3	42.4	30.8	25.9	59.1	10.2	204
1983/84	—	—	—	57.2	67.4	42.4	30.9	26.4	59.7	7.7	200-275

Soybean oil:											
1979/80	—	—	—	5.49	5.84	—	4.07	1.22	5.29	.55	536
1980/81	—	—	—	5.11	5.66	—	4.13	.74	4.87	.79	500
1981/82	—	—	—	4.98	5.77	—	4.33	.94	5.27	.50	419
1982/83	—	—	—	5.51	6.01	—	4.45	1.00	5.44	.57	375
1983/84	—	—	—	5.61	6.18	—	4.63	.93	5.56	.62	350-440

Soybean meal:											
1979/80	—	—	—	24.59	24.83	—	17.43	7.20	24.63	.20	201
1980/81	—	—	—	22.06	22.26	—	15.96	6.15	22.11	.15	241
1981/82	—	—	—	22.36	22.51	—	16.09	6.27	22.36	.16	201
1982/83	—	—	—	24.50	24.66	—	17.12	7.30	24.42	.24	193
1983/84	—	—	—	24.56	24.80	—	17.33	7.21	24.54	.26	200-245

\$/kg

Cotton:											
1979/80	5.7	5.2	.61	3.19	4.05	—	1.42	2.00	3.42	.65	\$1.38
1980/81	5.9	5.4	.45	2.42	3.07	—	1.28	1.28	2.57	.59	\$1.65
1981/82	5.8	5.6	.61	3.41	3.99	—	1.15	1.44	2.67	1.44	\$1.20
1982/83	4.7	4.0	.65	2.62	4.07	—	1.18	1.18	2.35	1.74	—
1983/84	—	—	—	2.00	3.74	—	1.24	1.31	2.55	1.22	—

*April 22, 1983 Supply and Demand Estimates. ¹Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, soybean meal, and soybean oil. ²Includes imports. ³Season average. ⁴Includes seed. ⁵Upland and extra long staple. Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks. ⁶Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ⁷Statistical discrepancy.

General Economic Data

Gross national product and related data

	Annual			1981	1982				1983
	1980	1981	1982	IV	I	II	III	IV	I P
\$ Bil. (Quarterly data seasonally adjusted at annual rates)									
Gross national product ¹	2,633.1	2,937.7	3,059.3	3,003.2	2,995.5	3,045.2	3,088.2	3,108.2	3,176.7
Personal consumption expenditures	1,667.2	1,843.2	1,971.1	1,884.5	1,919.4	1,947.8	1,986.3	2,030.8	2,054.0
Durable goods	214.3	234.6	242.7	229.6	237.9	240.7	240.3	251.8	256.4
Nondurable goods	670.4	734.5	762.1	748.5	749.1	755.0	768.4	775.7	776.4
Clothing and shoes	104.7	114.6	118.6	116.0	117.5	118.4	119.1	119.4	120.0
Food and beverages	343.7	375.3	397.3	382.3	387.9	395.0	401.3	405.1	409.5
Services	782.5	874.1	966.3	908.3	932.4	952.1	977.6	1,003.3	1,021.2
Gross private domestic investment	402.3	471.5	420.3	468.9	414.8	431.5	443.3	391.5	430.6
Fixed investment	412.4	451.1	444.1	455.7	450.4	447.7	438.6	439.9	459.1
Nonresidential	309.2	346.1	348.0	360.2	357.0	352.2	344.2	338.4	339.3
Residential	103.2	104.9	96.2	95.5	93.4	95.5	94.3	101.4	119.9
Change in business inventories	-10.0	20.5	-23.8	13.2	-35.6	-16.2	4.7	-48.3	-28.5
Net exports of goods and services	25.2	26.1	20.5	23.5	31.3	34.9	6.9	9.1	16.6
Exports	339.2	367.3	350.8	367.9	359.9	365.8	349.5	328.1	330.2
Imports	314.0	341.3	330.3	344.4	328.6	330.9	342.5	319.1	313.6
Government purchases of goods and services	538.4	596.9	647.4	625.3	630.1	630.9	651.7	676.8	675.5
Federal	197.2	228.9	257.9	250.5	249.7	244.3	259.0	278.7	271.9
State and local	341.2	368.0	389.4	375.7	380.4	386.6	392.7	398.0	403.6
1972 \$Bil. (Quarterly data seasonally adjusted at annual rates)									
Gross national product	1,474.0	1,502.6	1,476.9	1,490.1	1,470.7	1,478.4	1,481.1	1,477.2	1,488.5
Personal consumption expenditures	930.5	947.6	956.9	943.4	949.1	955.0	956.3	967.0	972.4
Durable goods	137.1	140.0	138.8	134.1	137.5	138.3	136.4	142.8	144.5
Nondurable goods	355.8	362.4	365.0	363.1	362.2	364.5	365.9	367.6	369.8
Clothing and shoes	78.0	82.7	84.1	83.0	83.8	84.0	84.0	84.4	84.7
Food and beverages	180.2	181.4	184.0	182.0	181.7	183.0	184.9	186.4	187.9
Services	437.6	445.2	453.1	446.2	449.5	452.2	454.0	456.6	458.1
Gross private domestic investment	208.4	225.8	196.9	218.9	195.4	202.3	206.3	183.5	199.5
Fixed investment	213.3	216.9	206.1	214.1	210.8	206.7	202.9	203.8	211.9
Nonresidential	166.1	172.0	165.7	174.2	172.0	166.7	163.4	160.9	162.0
Residential	47.2	44.9	40.3	39.9	38.9	40.1	39.5	42.9	49.9
Change in business inventories	-5.0	9.0	-9.2	4.8	-15.4	-4.4	3.4	-20.3	-12.4
Net exports of goods and services	50.6	42.0	31.8	36.5	36.9	35.7	27.5	27.2	24.0
Exports	159.2	158.5	148.1	156.9	151.7	154.4	147.5	138.8	138.5
Imports	108.6	116.4	116.3	120.4	114.7	118.7	120.0	111.6	114.5
Government purchases of goods and services	284.6	287.1	291.3	291.3	289.2	285.3	291.1	299.5	292.6
Federal	106.5	110.4	116.4	116.0	114.4	110.3	116.2	124.7	117.5
State and local	178.1	176.7	174.9	175.3	174.9	175.0	174.9	174.8	175.1
New plant and equipment expenditures (\$bil.)	295.63	321.49	316.43	327.83	327.72	323.22	315.79	302.77	302.25
Implicit price deflator for GNP (1972=100)	178.64	195.51	207.15	201.55	203.68	205.98	208.51	210.42	213.41
Disposable income (\$bil.)	1,824.1	2,029.1	2,172.7	2,101.4	2,117.1	2,151.5	2,198.1	2,224.3	2,247.0
Disposable income (1972 \$bil.)	1,018.0	1,043.1	1,054.8	1,051.9	1,046.9	1,054.8	1,058.3	1,059.1	1,063.8
Per capita disposable income (\$)	8,012	8,827	9,363	9,107	9,155	9,285	9,461	9,549	9,623
Per capita disposable income (1972 \$)	4,472	4,538	4,545	4,559	4,527	4,552	4,555	4,547	4,556
U.S. population, tot., incl. military abroad (mil.)	227.7	229.8	232.1	230.8	231.3	231.8	232.4	233.0	233.4
Civilian population (mil.)	225.6	227.7	229.9	228.6	229.1	229.6	230.2	230.8	231.2

See footnotes at end of next table.

Selected monthly indicators

	Annual			1982				1983		
	1980	1981	1982 p	Mar	Oct	Nov	Dec	Jan	Feb	Mar p
Monthly data seasonally adjusted except as noted										
Industrial production, total ¹ (1967=100)	147.0	151.0	138.6	141.7	135.7	134.9	135.2	137.2	137.6	139.1
Manufacturing (1967=100)	146.7	150.4	137.6	140.1	135.0	134.0	134.5	136.6	137.4	139.2
Durable (1967=100)	136.7	140.5	124.7	128.2	120.3	119.3	119.9	122.3	123.5	125.3
Nondurable (1967=100)	161.2	164.8	156.2	157.3	156.2	155.3	155.6	157.3	157.5	159.2
Leading economic indicators ² (1967=100)	138.2	140.9	137.0	134.7	139.1	139.6	141.1	145.6	147.6	149.8
Employment ⁴ (mil. persons)	99.3	100.4	99.5	99.6	99.2	99.1	99.1	99.1	99.1	99.1
Unemployment rate ⁴ (%)	7.2	7.5	9.7	8.9	10.5	10.6	10.7	10.2	10.2	10.1
Personal income ¹ (\$ bil. annual rate)	2,160.4	2,415.8	2,569.9	2,518.6	2,609.4	2,627.7	2,635.0	2,641.7	2,644.3	2,658.9
Hourly earnings in manufacturing ⁴ (\$)	7.27	7.99	8.50	8.37	8.56	8.61	8.69	8.71	8.74	8.75
Money stock-M1 (daily avg.) (\$bil.) ³	\$414.5	\$440.6	\$478.2	448.6	468.7	474.0	478.2	482.1	491.1	497.7
Money stock-M2 (daily avg.) (\$bil.) ³	\$1,656.1	\$1,794.9	\$1,959.5	1,828.9	1,929.7	1,945.0	1,959.5	2,008.2	2,047.3	2,066.1
Three-month Treasury bill rate ³ (%)	11.506	14.077	10.686	12.493	7.750	8.042	8.013	7.810	8.130	8.304
Aaa corporate bond yield (Moody's) ³ (%)	11.94	14.17	13.79	14.58	12.12	11.68	11.83	11.79	12.01	11.73
Interest rate on new home mortgages ³ (%)	12.66	14.74	15.12	15.67	14.41	13.81	13.69	13.49	13.16	13.51
Housing starts, private (incl. farm) (thou.)	1,292	1,084	1,062	920	1,142	1,361	1,280	1,694	1,775	1,611
Auto sales at retail, total ¹ (mil.)	9.0	8.5	7.9	7.7	7.9	9.4	8.7	8.7	8.4	8.2
Business sales, total ¹ (\$ bil.)	327.1	354.2	342.2	344.4	335.2	336.7	336.7	343.7	339.1p	—
Business inventories, total ¹ (\$ bil.)	492.8	527.0	512.1	521.2	520.7	515.3	512.3	507.8	508.1p	—
Sales of all retail stores (\$ bil.) ⁹	79.3	86.5	89.1	87.7	90.3	92.5	91.5	92.3	91.2p	91.5
Durable goods stores (\$ bil.)	24.7	27.2	27.7	26.0	27.8	30.2	29.4	28.3	27.3p	27.8
Nondurable goods stores (\$ bil.)	54.6	59.3	61.4	61.7	62.4	62.4	62.1	64.0	63.9p	63.8
Food stores (\$ bil.)	18.1	19.8	20.8	20.8	21.2	21.1	21.2	21.1	21.3p	21.4
Eating and drinking places (\$ bil.)	7.2	7.8	8.6	8.6	9.1	9.1	8.9	9.6	9.8p	9.8
Apparel and accessory stores (\$ bil.)	3.7	4.0	4.1	4.4	4.0	4.1	4.0	4.3	4.3p	4.3

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Composite Index of 12 leading indicators. ⁴ Department of Labor, Bureau of Labor Statistics. ⁵ Not seasonally adjusted. ⁶ December of the year listed. ⁷ Moody's Investors Service. ⁸ Federal Home Loan Bank Board. ⁹ Adjusted for seasonal variations, holidays, and trading day differences. p = preliminary.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual ¹			1982				1983		
	1980	1981	1982	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Export commodities:										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.78	4.80	4.38	4.62	3.84	4.26	4.39	4.51	4.50	4.55
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	3.28	3.40	2.80	2.95	2.38	2.68	2.72	2.77	3.00	3.18
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	3.38	3.28	2.81	2.91	2.45	2.84	2.80	2.96	3.12	3.18
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	7.39	7.40	6.36	6.53	5.48	5.98	6.03	6.12	6.18	6.20
Soybean oil, Decatur (cts./lb.)	23.63	21.07	18.33	18.47	17.29	17.44	16.29	18.53	17.28	17.72
Soybean meal, Decatur (\$/ton)	196.47	218.65	179.70	184.78	157.21	174.99	177.99	180.17	175.68	178.67
Cotton, 10 market avg. spot (cts./lb.)	81.13	71.93	60.10	59.73	58.58	58.20	59.64	60.16	61.72	66.05
Tobacco, avg. price of auction (cts./lb.)	142.29	156.48	172.20	169.97	176.53	178.02	178.02	175.95	174.92	174.46
Rice, f.o.b. mill, Houston (\$/cwt.)	21.89	25.63	18.89	19.20	18.00	18.00	18.00	19.00	19.00	19.00
Inedible tallow, Chicago (cts./lb.)	18.52	15.27	12.85	14.13	11.00	11.00	10.81	11.35	12.00	12.50
Import commodities:										
Coffee, N.Y. spot (\$/lb.)	1.64	1.27	1.41	1.44	1.38	1.39	1.38	1.34	1.30	1.28
Sugar, N.Y. spot (cts./lb.)	30.10	19.73	19.86	17.13	20.44	20.79	20.83	21.23	21.76	21.87
Rubber, N.Y. spot (cts./lb.)	73.80	56.79	45.48	47.25	42.77	41.85	42.01	44.27	49.10	56.14
Cocoa beans, N.Y. (\$/lb.)	1.14	.90	.75	.84	.71	.65	.70	.78	.84	.80
Bananas, f.o.b. port of entry (\$/40-lb. box)	6.89	7.28	6.80	7.85	5.43	6.04	6.22	6.13	6.90	7.38

n.a. = not available.

U.S. agricultural exports

	October-January				January			
	1981/82	1982/83	1981/82	1982/83	1982	1983	1982	1983
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excluding poultry.	—	—	88,311	91,642	—	—	12,055	13,484
Meat and preps., excluding poultry (mt).	148	139	324,963	308,819	34	31	73,444	63,083
Dairy products, excluding eggs	—	—	132,566	114,950	—	—	25,413	28,557
Poultry and poultry products	—	—	242,943	166,445	—	—	47,858	35,506
Grains and preparations	—	—	5,768,876	4,331,521	—	—	1,314,813	1,305,203
Wheat and wheat flour (mt).	14,952	11,863	2,591,423	1,893,502	3,414	4,023	606,816	655,290
Rice, milled (mt).	715	470	348,094	199,998	202	92	93,520	36,769
Feed grains, excluding products (mt).	21,192	19,983	2,622,613	2,109,201	4,752	5,226	581,597	584,301
Other.	—	—	206,696	128,820	—	—	32,881	28,843
Fruits, nuts, and preparations	—	—	742,597	693,034	—	—	146,048	147,976
Vegetables and preparations	—	—	651,183	364,260	—	—	100,977	82,029
Sugar & preps., including honey.	—	—	102,116	29,257	—	—	11,551	5,742
Coffee, tea, cocoa, spices, etc. (mt).	18	17	80,524	70,327	4	4	18,925	14,838
Feeds and fodders.	—	—	910,248	947,891	—	—	231,282	320,737
Protein meal (mt).	2,490	2,696	567,594	581,152	654	970	150,305	214,893
Beverages, excl. distilled alcohol (lit).	18,013	17,191	9,178	9,504	5,508	3,724	2,751	2,067
Tobacco, unmanufactured (mt).	109	111	643,131	674,766	15	11	90,991	62,566
Hides, skins, and furskins	—	—	359,642	353,322	—	—	124,876	117,659
Oilseeds	—	—	2,811,468	2,427,097	—	—	620,856	554,277
Soybeans (mt).	9,862	9,916	2,549,993	2,239,548	2,294	2,350	595,288	546,029
Wool, unmanufactured (mt).	2	2	15,984	13,020	(¹)	(¹)	1,803	2,489
Cotton, unmanufactured (mt).	502	373	756,687	499,985	155	109	222,582	148,212
Fats, oils, and greases (mt).	538	497	254,489	204,505	135	131	62,790	51,485
Vegetable oils and waxes (mt).	475	470	287,086	260,794	67	98	44,487	54,472
Rubber and allied gums (mt).	3	3	6,561	5,636	1	1	1,700	1,156
Other.	—	—	363,290	373,026	—	—	99,367	103,648
Total	—	—	14,551,843	11,939,801	—	—	3,254,569	3,115,186

¹ Less than 500,000.

Trade balance

	October-January		January	
	1981/82	1982/83	1982	1983
	\$ Mil.			
Agricultural exports	14,552	11,940	3,255	3,115
Nonagricultural exports	59,321	52,375	13,874	12,704
Total exports ¹	73,873	64,315	17,129	15,819
Agricultural imports	5,280	5,427	1,221	1,482
Nonagricultural imports	82,294	73,301	21,151	18,539
Total imports ²	87,574	78,728	22,372	20,021
Agricultural trade balance	9,272	6,513	2,034	1,633
Nonagricultural trade balance	-22,973	-20,926	-7,277	-5,835
Total trade balance	-13,701	-14,413	-5,243	-4,202

¹ Domestic exports including Department of Defense shipments (F.A.S. value). ² Imports for consumption (customs value).

U.S. agricultural exports by regions

Region and country ¹	October-January		January		Change from Year earlier	
	1981/82	1982/83	1982	1983	October-January	January
	\$ Mil.				percent	
Western Europe	4,608	3,948	1,033	1,034	-14	0
European Community (EC-10)	3,455	3,019	751	790	-13	+5
Germany, Fed. Rep.	641	545	116	144	-15	+24
Greece	59	58	24	13	-2	-46
Italy	374	305	108	84	-18	-22
Netherlands	1,326	1,158	282	323	-13	+15
United Kingdom	355	331	81	81	-7	0
Other Western Europe	1,153	929	282	244	-19	-13
Portugal	194	205	40	55	+6	+38
Spain	639	456	150	114	-29	-24
Eastern Europe	335	219	99	58	-35	-41
German Dem. Rep.	105	45	48	10	-57	-79
Poland	82	88	5	13	+7	+160
Romania	43	26	27	10	-40	-63
USSR	1,006	425	364	233	-58	-36
Asia	5,080	4,665	1,078	1,093	-8	+1
West Asia	516	458	124	118	-11	-5
Iran	72	(²)	6	(²)	-100	-100
Iraq	32	40	13	24	+25	+85
Israel	113	117	37	27	+4	-27
Saudi Arabia	145	169	43	40	+17	-7
South Asia	270	436	19	96	+61	+405
India	208	317	16	85	+52	+431
Pakistan	46	51	3	6	+11	+100
East and Southeast Asia	4,293	3,772	935	880	-12	-6
China, Mainland	652	306	150	107	-53	-29
China, Taiwan	408	415	63	81	+2	+28
Japan	2,213	2,034	446	433	-8	-3
Korea, Rep.	504	486	118	125	-4	+6
Africa	744	526	179	167	-29	-7
North Africa	395	286	90	132	-28	+47
Algeria	90	28	20	6	-69	-70
Egypt	238	188	59	93	-21	+58
Other Africa	349	239	90	35	-32	-61
Nigeria	197	106	52	16	-46	-69
Latin America and Caribbean	1,804	1,334	334	360	-26	+8
Brazil	166	89	57	31	-46	-46
Caribbean	255	266	70	59	+4	-16
Central America	124	104	24	29	-16	+21
Mexico	656	369	83	133	-44	+60
Peru	102	85	18	13	-36	-28
Venezuela	276	216	41	57	-22	-39
Canada	633	595	149	151	-6	+1
Canada for transshipment	232	140	(³)	(³)	-40	0
Oceania	110	86	18	18	-22	0
Total ²	14,552	11,936	3,255	3,115	-18	-4

¹ Not adjusted for transshipments through Canada. ² Regions may not add to totals due to rounding. ³ Less than \$500,000.

U.S. agricultural imports

	October-January				January			
	1981/82	1982/83	1981/82	1982/83	1982	1983	1982	1983
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Live animals, excluding poultry	—	—	120,894	212,934	—	—	27,193	51,051
Meat and preparations, excl. poultry (mt)	241	291	569,682	661,649	58	95	132,714	211,246
Beef and veal (mt)	173	200	383,360	409,532	43	70	92,202	141,744
Pork (mt)	61	84	163,129	235,085	13	23	34,772	65,406
Dairy products, excluding eggs	—	—	229,949	257,189	—	—	48,163	57,286
Poultry and poultry products	—	—	26,550	27,742	—	—	6,188	8,626
Grains and preparations	—	—	117,661	144,286	—	—	26,337	34,057
Wheat and flour (mt)	2	83	579	9,627	(¹)	25	107	2,871
Rice (mt)	3	6	2,109	3,237	1	2	889	794
Feed grains (mt)	63	51	10,930	6,863	17	14	3,028	1,989
Other	—	—	104,043	124,559	—	—	22,313	28,403
Fruits, nuts, and preparations	—	—	478,320	607,226	—	—	119,877	147,230
Bananas, Fresh (mt)	777	851	168,790	187,020	176	223	38,169	48,442
Vegetables and preparations	—	—	335,749	332,130	—	—	135,910	122,349
Sugar and preparations, incl. honey	—	—	788,466	402,253	—	—	90,382	82,192
Sugar, cane or beet (mt)	2,032	892	720,776	329,958	203	149	73,489	61,571
Coffee, tea, cocoa, spices, etc. (mt)	531	640	1,244,296	1,480,312	117	187	289,232	420,334
Coffee, green (mt)	353	391	860,947	1,008,689	77	93	202,610	251,724
Cocoa beans (mt)	52	94	90,486	135,778	10	47	19,454	67,330
Feeds and fodders	—	—	39,519	39,713	—	—	8,318	9,125
Protein meal (mt)	22	30	3,596	4,820	5	8	818	1,240
Beverages, incl. distilled alcohol (hl)	3,640	4,023	426,714	468,503	856	1,050	91,748	115,169
Tobacco, unmanufactured (mt)	43	43	112,110	111,346	14	11	37,189	30,783
Hides, skins, and furskins	—	—	72,150	51,794	—	—	30,038	23,595
Oilseeds	81	70	33,325	26,427	10	13	6,365	6,374
Soybeans (mt)	3	2	700	460	(¹)	(¹)	97	44
Wool, unmanufactured (mt)	15	10	55,885	33,444	5	4	19,496	11,856
Cotton, unmanufactured (mt)	4	3	1,955	2,677	1	1	782	506
Fats, oils, and greases (mt)	4	4	3,001	2,983	1	1	804	581
Vegetable oils and waxes (mt)	259	250	157,341	127,694	67	78	39,599	38,498
Rubber and allied gums (mt)	230	229	222,974	186,944	52	62	45,507	51,842
Other	—	—	243,312	249,392	—	—	64,902	59,219
Total	—	—	5,279,853	5,426,638	—	—	1,220,744	1,481,919

¹ Less than 500,000 metric tons. Note: 1 metric ton (mt) = 2,204.622 lb; 1 hectoliter (hl) = 100 liters = 26.42008 gal.

World Agricultural Production

World supply and utilization of major crops

	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82 E	1982/83 F
	Mil. units						
Wheat:							
Area (hectare)	233.2	227.1	228.9	228.3	236.5	238.7	235.6
Production (metric ton)	421.3	384.1	446.8	423.3	441.1	448.2	472.9
Exports (metric ton) ¹	63.3	72.8	72.0	86.0	94.2	101.9	101.4
Consumption (metric ton) ²	385.8	399.3	430.2	443.8	445.5	439.7	458.2
Ending stocks (metric ton) ³	99.8	84.3	100.9	80.4	75.0	83.4	98.1
Coarse grains:							
Area (hectare)	343.7	345.1	342.8	342.3	342.3	348.4	341.4
Production (metric ton)	704.2	700.6	753.6	741.4	730.0	764.8	783.8
Exports (metric ton) ¹	82.7	84.0	90.2	100.9	105.4	103.6	87.7
Consumption (metric ton) ²	685.3	692.0	748.1	740.8	740.8	732.0	744.1
Ending stocks (metric ton) ³	77.5	85.9	91.2	91.7	80.8	113.6	153.0
Rice, milled:							
Area (hectare)	141.3	143.2	144.1	142.0	144.5	145.2	142.3
Production (metric ton)	234.4	249.0	260.7	254.2	267.1	277.6	275.5
Exports (metric ton) ¹	10.5	9.5	11.6	12.6	12.8	11.6	12.6
Consumption (metric ton) ²	235.5	244.0	255.8	258.4	268.3	278.0	280.6
Ending stocks (metric ton) ³	17.8	22.8	27.7	23.4	22.2	21.6	16.9
Total grains:							
Area (hectare)	718.3	715.8	715.8	712.6	723.3	732.3	719.2
Production (metric ton)	1,359.9	1,333.8	1,461.1	1,418.8	1,438.2	1,490.5	1,632.0
Exports (metric ton) ¹	155.4	166.2	173.8	199.5	212.5	217.1	201.8
Consumption (metric ton) ²	1,306.6	1,335.3	1,434.1	1,443.1	1,455.5	1,449.7	1,482.6
Ending stocks (metric ton) ³	195.0	193.1	219.8	195.5	178.0	218.8	267.9
Oilseeds and meals:^{4,5}							
Production (metric ton)	66.7	78.4	82.2	95.0	84.8	91.1	97.5
Trade (metric ton)	33.9	38.6	40.6	46.2	44.1	46.5	47.3
Fats and Oils:⁶							
Production (metric ton)	41.9	46.3	48.5	53.0	50.7	54.0	57.0
Trade (metric ton)	16.9	18.3	19.3	20.8	20.0	21.0	21.2
Cotton:							
Area (hectare)	30.7	32.8	32.4	32.2	32.4	33.4	32.0
Production (bale)	56.7	64.1	60.0	65.5	65.3	70.9	67.6
Exports (bale)	17.6	19.1	19.8	22.7	19.7	20.5	18.3
Consumption (bale)	60.6	60.0	62.4	65.3	65.8	65.7	66.2
Ending stocks (bale)	20.4	25.0	22.1	23.0	23.0	27.2	28.1

E = Estimated, F = Forecast. ¹ Excludes Intra-EC trade. ² Where stocks data not available (excluding USSR), consumption includes stock changes. ³ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; Includes estimated change in USSR grain stocks but not absolute level. ⁴ Soybean meal equivalent. ⁵ Calendar year data. 1977 data corresponds with 1976/77, etc. Excludes safflower, sesame, and castor oil.

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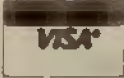
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